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JUNE 1971

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Interest Rates, Credit Flows, and Monetary Aggregates Since 1964

INTEREST RATES in securities markets have fluctuated very sharply over the past half-decade, although the trend in yields has generally been upward. In 1969 and early 1970, when inflationary expectations were strong and bank credit expansion was curtailed, market rates reached levels as high as any in U.S. history. Then during 1970 and early 1971, as economic activity slowed and monetary policy eased, interest rates dropped more sharply than in most earlier periods of decline.

Most recently, interest rates have tended up again, reversing some of their preceding decline. These recent yield increases—which occurred in the aftermath of a rapid expansion of gross national product during the first quarter of 1971—were accompanied by large credit demands in long-term financial markets. They also came during a time when a flow of private short-term investment funds into foreign money market centers—indicating in part expectations of upward revaluations of some European currencies—had exerted some pressures to bring short-term U.S. rates somewhat closer into alignment with higher interest rates in foreign centers.

The factors that account for the behavior of interest rates at any point in time are highly complex—reflecting, in addition to current developments, lagged responses to past events and expectations of future events. To try to sort out more persisting underlying relationships among interest rates, credit flows, and mone-

SELECTED INTEREST RATES

In per cent

Rates	Earlier highs [1]	1971 lows [1]	June 15, 1971
Short-term:			
Treasury bills, 3-mo.	7.87 (Jan. 70)	3.38 (Mar.)	4.95
Commercial paper, 4 to 6 mos.	8.84 (Dec. 69)	4.19 (Mar.)	5.50
Long-term:			
10-yr. U.S. Govt.[2]	7.91 (May 70)	5.70 (Mar.)	6.70
Corporate Aaa, new issues [3]	9.12 (July 70)	7.00 (Feb.)	[3]7.90

[1] Monthly averages.
[2] Estimated from yield curve.
[3] Estimated by First National City Bank, except latest figure which is Federal Reserve estimate for week ending June 18, 1971.

tary aggregates, this article reviews interest rate movements from 1964 to early 1971.

The review starts with the years just prior to the escalation of U.S. involvement in the Vietnamese conflict—that is, early 1964 to mid-1965. In those years, while short-term rates had risen appreciably from the lows reached in the 1960–61 recession, interest rates in general remained remarkably stable by present standards, particularly in long-term markets. Moreover, the levels of rates prevailing—with long-term bonds generally yielding somewhat above 4 per cent and rates in short-term markets running a bit lower—were not unusual in terms of previous U.S. financial history.

After mid-1965, however, interest rates began to trend sharply upward and to show much greater volatility. The 6-year span since mid-1965 divides logically into several subperiods that represent fairly distinct patterns of increasing or decreasing yield movements.

Data in Chart 1 and Table 1 differentiate these various subperiods and show summary measures of interest rate changes and some other economic data. The interest rates selected for these exhibits are two relatively sensitive market series showing borrowing costs for major corporations—namely, the rate on 4- to 6-month prime commercial paper and the average rate on newly issued corporate bonds of Aaa quality. These two series are broadly representative of yields in short- and long-term financial

TABLE 1

SUMMARY DATA FOR SEVEN PERIODS OF INTEREST RATE CHANGES
End 1963 to Early 1971

In per cent unless otherwise indicated

Item	Q1 1964–Q2 1965	Q3 1965–Q4 1966	1st H 1967	Q3 1967–Q2 1968	2nd H 1968	Year 1969	Q1 1970–Q1 1971
Interest rate levels, end of period:							
Commercial paper	4.38	6.00	4.72	6.08	5.96	8.62	4.59
Corporate Aaa, new issues	4.48	5.76	5.58	6.56	6.69	8.41	7.05
Interest rate changes:							
Commercial paper	.47	1.62	−1.28	1.36	−.12	2.66	−4.03
Corporate bonds	.14	1.28	−.18	.98	.13	1.72	−1.36
Annual rates of increase:							
Real GNP	5.6	6.2	1.1	5.0	3.5	1.6	.4
GNP deflator	1.8	2.8	2.4	4.2	4.3	5.0	5.4
Current-dollar GNP	7.4	9.2	3.6	9.4	7.9	6.8	5.8
Money stock (*M*1)	4.1	3.5	6.8	7.2	7.7	3.1	6.2
Average level during period:							
High-employment budget surplus (in billions of dollars at annual rates)	3.9	−5.4	−13.0	−15.5	−4.4	3.9	−.4

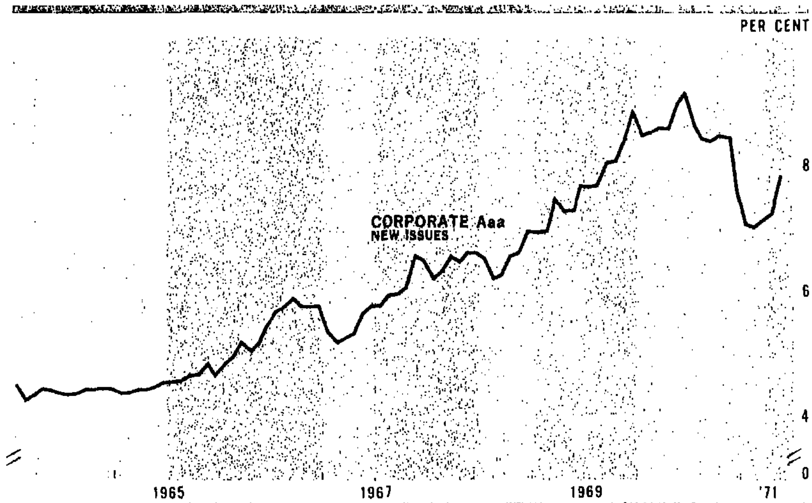
NOTE.—Based on quarterly data for terminal quarters in each period, except growth rate of *M*1—which is calculated from averages for terminal months in the periods—and high-employment budget surplus—which shows average levels for the entire span of each period. Data for yields on Aaa newly issued corporate bonds are First National City Bank estimates and data for high-employment budget surplus (NIA basis) are unpublished estimates by the Division of Research and Statistics at the Federal Reserve.

markets, although any single interest rate series on a particular type of debt will, of course, occasionally show divergencies from the general pattern of rate changes.

The yield on new corporate bonds was selected as the most representative measure for long-term market yields. Interest rates on long-term Treasury bonds tended to move more sluggishly during this time span, because the 4¼ per cent interest rate ceiling foreclosed new Treasury debt offering of long maturity during most of the period under review. To facilitate comparisons between long- and short-term rates on debt of comparable quality, the short-term rate used in the analysis is the rate on commercial paper.

SKETCH OF SUBPERIODS

1 | SUBPERIODS showing different patterns of yield movement



Monthly averages. First National City Bank estimates of average investor yield on new issues of high-grade corporate bonds adjusted to Aaa basis; prime commercial paper, dealer offering rates.

The relevant subperiods of rising and falling interest rates can be readily identified on Chart 1. The large extent of interest rate stability during the period from early 1964 to mid-1965 has already been mentioned, although on balance yields did tend to rise slowly during this period. Market yields rose sharply in the next period—from mid-1965 through the so-called "credit crunch" of 1966. As is usually the case, changes in long-term rates were in the same direction as short-term rates, but were smaller. Most yields reached their peaks at the height of the credit crunch in the fall of 1966. These interest rate increases partly reflected an unusually rapid pace of economic growth during late 1965 and early 1966. Defense contracts and payrolls mounted quickly, on top of spending demands by private economic sectors that had been stimulated by the income tax cuts of 1964. While the growth rate of real economic activity became less rapid over the course of 1966, readily available manpower and capital resources had been absorbed by that time and inflationary pressures had set in. To deal with the thrust of these excess demands, monetary policy became restrictive.

The succeeding subperiod of declining interest rates covers the first half of 1967. In this period growth of economic activity slowed briefly, partly in reaction to the earlier credit crunch and a temporary suspension of investment tax credits that took place in late 1966. Interest rate declines were also encouraged by a shift to an expansive monetary policy. In short-term markets, the general rate decline continued through mid-1967, but in bond markets, rates reached their lows as early as February 1967 and then started moving up. This latter upturn was partly anticipatory; it reflected concern among market participants that the income surtax requested by the administration would not be enacted and this would lead to large Federal deficit spending on top of a renewal of strength already expected for the private economy. At the same time, the volume of long-term borrowing —in contrast to short-term financing—increased substantially (Table 2) as borrowers tried to make up for capital market financing foregone during the credit crunch and to anticipate possible future shortages of funds.

Expectations of rising interest rates were in fact confirmed after mid-1967, and rates continued to advance through the next subperiod. Excess demand in the domestic economy and adverse expectations engendered by events in the foreign exchange and gold markets—beginning with the devaluation of sterling in late 1967—were among the factors that encouraged interest rates to rise above the peaks reached earlier during the 1966 credit crunch.

The long-delayed passage of the Revenue and Expenditure Control Act in June 1968—which provided for a 10 per cent surcharge on income taxes and a ceiling on Federal spending in the fiscal year 1969—considerably improved the outlook of credit market participants. A temporary decline in interest rates occurred during the summer and early fall of 1968. As in the first half of 1967, however, the rate decline in long-term markets was reversed sooner than that in short-term markets. With borrowers

TABLE 2

NET BORROWING IN SHORT- AND LONG-TERM MARKETS
Selected Periods, 1964 to 1971

In billions of dollars at seasonally adjusted annual rates unless otherwise indicated

Item	Q1 1964–Q2 1965	Q3 1965–Q4 1966	1st H 1967	Q3 1967–Q2 1968	2nd H 1968	Year 1969	Q1 1970–Q1 1971[p]
Total net borrowing[1]	61.4	62.9	62.8	84.8	96.5	73.4	83.3
Less: Funds supplied by Federal Reserve	3.4	3.7	6.0	5.5	–.4	4.2	7.1
Equals: **Funds supplied by private sectors:**	**58.0**	**59.1**	**56.8**	**79.3**	**96.9**	**69.2**	**76.2**
In short-term markets[2]	17.4	27.1	20.5	38.0	36.0	38.9	18.8
In long-term markets—by type of instrument:	*40.6*	*32.0*	*36.3*	*41.3*	*60.9*	*30.3*	57.4
Corporate & foreign bonds[3]	7.6	10.7	15.9	16.4	15.9	14.8	25.0
Mortgages, net of Govt. housing-credit support	24.7	20.1	20.9	21.7	25.9	18.7	20.7
State and local bonds	5.6	5.7	8.0	5.7	13.0	5.0	10.1
U.S. Govt. and Govt.-sponsored agencies, over 5 years[4]	2.7	–4.5	–8.4	–2.5	6.1	–8.2	1.5
Share (in per cent) of total supply by private sectors:							
Short-term	30.0	45.9	36.1	47.9	37.2	56.2	24.7
Long-term	70.0	54.1	63.9	52.1	62.8	43.8	75.3

[1] For derivation, see Table 3.
[2] Includes mainly nonfinancial borrowing in the form of bank loans, consumer credit, open market paper, State and local securities maturing within 1 year, and U.S. Government as well as Govt.-sponsored agency debt maturing within 5 years.
[3] In addition to bonds issued by nonfinancial sectors, includes bonds issued by sales finance companies and commercial banks. The proceeds of such bond sales by financial sectors are netted out in calculating short-term borrowing on the assumption that the proceeds are used to finance short-term debt.
[4] Abrupt shifts in maturity classification—that arise when securities pass from the over-5-year to the under-5-year category as a result of the passage of time—have been phased in gradually. The smoothing technique spreads the shift over a 2-year period.
SOURCE.—Federal Reserve flow of funds accounts.
[p] preliminary.

seeking to cover previously delayed financing as credit market conditions eased, the volume of long-term debt offerings expanded sharply (Table 2). In part, this enlarged volume of capital market financing also came about when borrowers sought funds in anticipation of future needs, once it became evident that the mid-1968 fiscal actions were not fully curbing excess spending demands.

During 1969, interest rates moved to new record highs as the sharp increases in rates that had begun in late 1968 continued throughout the year with only minor interruptions. The year 1969 had larger rate increases, both absolutely and in relative terms, than any of the other periods considered here. These rate increases were accompanied by a restrictive monetary policy that resulted in a marked slowdown in the growth rate of bank credit and the monetary aggregates. At the same time the high employment Federal budget moved into surplus—a process which had already begun after mid-1968. While initially this shift in fiscal policy had seemed to have little effect, it subsequently contributed to the dampening of aggregate demand, and its effect on interest rates was in the direction of moderating upward rate pressures.

Economic expansion came to a halt in late 1969, and the following year was marked by recessive tendencies in output, sales, and employment. This slowdown was counteracted by measures that made fiscal policy more expansive—such as the expiration of the surtax—by a quickening of growth rates in monetary aggregates, and by substantial decreases in interest rates that continued until late winter 1971; all this helped to set the stage for the resumption of economic growth that has been observable in recent months. Although the most dramatic interest rate decreases occurred in the short-term sector, long-term rates also declined significantly during this last period, but only after first climbing further to reach new highs toward the middle of 1970—as pressures to rebuild depleted corporate liquidity positions had mounted in the spring of 1970. Thus the declines in long-term rates started much later than those of short-term rates. Also, the levels of long-term rates were still unusually high relative to short-term rates in the spring of 1971.

INTEREST RATES AND CREDIT MARKET FLOWS

In explaining interest rate trends over long periods of time, economists usually stress the influence of expected rates of return on investment in physical capital and the willingness of the various economic sectors to supply savings. A consideration of these variables was implicit in some of the preceding discussion of GNP and Federal budget developments. However, for short cyclical periods analysts often relate interest rate movements to shifting demand and supply conditions in the credit markets or in the stock of liquid assets, such as money.

Evaluating the relationship of interest rate movements in the seven subperiods to changing demand and supply conditions in the credit markets is a complex undertaking. It is difficult to distinguish between shifts in the demand for and shifts in the supply of loanable funds in the *ex post* data on fund flows. For example, an increased volume of credit may at times signify an upward shift in demand for funds that would lead to higher interest rates, whereas at other times an expanded flow of credit may reflect an increased supply that would lead to lower interest rates. Even without a separate identification of demand and supply factors, however, an examination of developments in credit flows may still contribute to an understanding of interest rate behavior.

Total borrowing. Table 3 shows the major borrowing flows at annual rates during the seven subperiods under discussion. Total net borrowing (line F) reflects major types of borrowing by nonfinancial sectors in the economy. Total credit expansion was substantial in all of the subperiods under review, ranging between 7.9 and 10.9 per cent of current-dollar GNP. The flows appear to be largest in the periods when the economy was in the early or middle phase of an upswing, as in 1964–early 1965 and the two periods from mid-1967 to the end of 1968. Relative to GNP, credit flows were smallest in 1969 and in the latter half of 1966 (Table 3, footnote 5), when the economy was nearing the end of an upswing and when monetary policy was most restrictive.

TABLE 3

BORROWING IN MAJOR CREDIT MARKETS

Selected Periods, 1964 to 1971

In billions of dollars at seasonally adjusted annual rates unless otherwise indicated

Line	Item	Q1 1964–Q2 1965	Q3 1965–Q4 1966	1st H 1967	Q3 1967–Q2 1968	2nd H 1968	Year 1969	Q1 1970–Q1 1971 p
A	U.S. Govt. securities	5.0	2.8	4.0	20.5	7.2	−3.6	9.2
B	Sponsored credit agencies	1.1	3.8	−3.0	3.3	2.2	8.8	5.7
C	Short-term non-Federal [1]	20.2	21.0	18.3	18.5	33.3	31.4	15.0
D	Long-term non-Federal [2]	36.2	38.7	40.7	47.0	56.3	46.0	58.6
E	*Less*: Govt. housing-credit support [3]	1.1	3.5	−2.9	4.5	2.4	9.2	5.2
F	*Equals*: Total net borrowing by nonfinancial sectors and sponsored credit agencies [4]	61.4	62.9	62.8	84.8	96.5	73.4	83.3
G	Total borrowing as per cent of GNP [5]	9.5	8.6	8.1	10.2	10.9	7.9	8.5

[1] Borrowing by nonfinancial sectors in the form of bank loans, consumer credit, open market paper, and State and local securities under 1 year.
[2] Borrowing by nonfinancial sectors in the form of State and local securities other than short-term, corporate and foreign bonds, and mortgages.
[3] Net mortgage purchases of U.S. budget agencies, Federal National Mortgage Association, and Federal land banks; and Federal home loan bank loans to savings and loan associations.
[4] Borrowing by Government-sponsored credit agencies is included as a component of total borrowing and is shown in line B. However, to the extent that such borrowing finances home mortgage lending it is deducted in line E, since total mortgage borrowing has been included in line D.
[5] During the last half of 1966, total borrowing amounted to 6.7 per cent of GNP.
SOURCE.—Federal Reserve flow of funds accounts.
p preliminary.

In the periods when tendencies of recession and incipient recovery were present, as in early 1967 and in the 1970–71 period, credit flows were slightly larger than in the immediately preceding phases of expansion. It may also be noted that the large increase in Federal borrowing in fiscal year 1968—at a time of substantial budget deficit at high employment—was reflected in an expansion of total credit flows and was succeeded by an unusually large expansion of non-Federal borrowing in the latter half of 1968.

Given the pattern of relatively small credit flows and rapidly rising interest rates found in the late expansion phase of the business cycle, and intermediate-size credit flows accompanied by falling interest rates in the two periods when the economy slowed substantially, it is apparent that no simple relation can be formulated between the size of total credit flows and movements in interest rates. The explanation would seem to lie in an interaction of supply and demand conditions.

Although total demands for credit tend to shrink when the economy weakens, monetary policy at such times has generally contributed to easier credit supply conditions. Hence total borrowing tended to expand even while the economy was still sluggish. Lagged policy effects and the upturn of economic activity have tended to lead to a more rapid increase in total credit flows once economic expansion was well under way. Finally, in the late expansion phases, total borrowing showed declines while interest rates reached high levels, and credit availability was most restricted in reaction to efforts by monetary policy to restrain excess demands.

Sectors supplying funds. There is a general association of interest rate movements with the sectoral composition of the supply of funds in credit markets, as discussed below and shown in Table 4. In periods when commercial banks, thrift institutions, and the Federal Reserve System supplied the predominant portion of total credit, interest rates eased or tended to be stable.

TABLE 4

SECTORS SUPPLYING FUNDS IN MAJOR CREDIT MARKETS
Selected Periods, 1964 to 1971

In billions of dollars at seasonally adjusted annual rates unless otherwise indicated

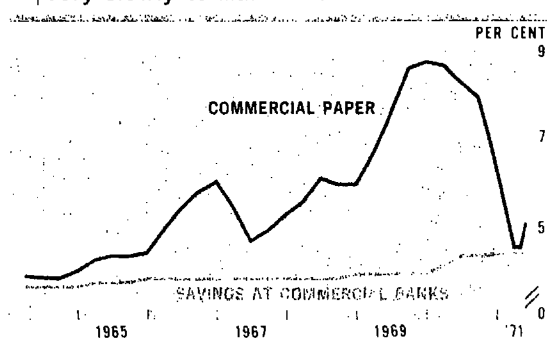
Item	Q1 1964–Q2 1965	Q3 1965–Q4 1966	1st H 1967	Q3 1967–Q2 1968	2nd H 1968	Year 1969	Q1 1970–Q1 1971[p]
Total net lending (or borrowing)	**61.4**	**62.9**	**62.8**	**84.8**	**96.5**	**73.4**	**83.3**
Funds supplied directly by:							
Federal Reserve Banks	3.4	3.7	6.0	5.5	−.4	4.2	7.1
Commercial banks, net[1]	23.9	20.7	33.9	32.1	54.1	12.2	34.9
Thrift institutions, net[2]	15.2	9.6	16.5	15.4	14.7	10.2	20.3
Foreign[3]	.4	.2	2.4	−.6	3.8	−.3	10.9
All other domestic sectors[4]	18.5	28.6	4.0	32.4	24.3	47.1	10.1
Share (in per cent) provided by:[5]							
Federal Reserve, commercial banks, and thrift institutions	69.2	54.1	89.8	62.5	70.9	36.2	74.8
All other domestic sectors	30.1	45.5	6.4	38.2	25.2	64.2	12.1

[1] Net of bank borrowing in commercial paper market and securities market. Bank borrowing from foreign branches has not been deducted in evaluating funds supplied by commercial banks.
[2] Credit market lending by mutual savings banks, savings and loan associations, and credit unions, net of borrowing from commercial banks and Federal home loan banks.
[3] Does not include funds lent to U.S. banks by foreign branches, which in the last two periods amounted to $7.0 and $-8.0 billion, respectively.
[4] Mainly reflects private domestic nonfinancial sectors (such as households, business, and State and local funds) and insurance companies as well as minor differences between funds lent and borrowed by finance companies, dealers and brokers, and Government-sponsored agencies.
[5] The percentages do not add to 100 because the share of foreign net lending has been omitted.
SOURCE: Federal Reserve flow of funds accounts.
[p] preliminary.

But when other domestic sectors—especially households, nonfinancial business, and State and local governments—had to be attracted into the securities markets to meet borrowers' demands for funds, interest rates increased.

Major shifts of this type in the sources of lending may develop initially from either the demand or the supply side of credit. For example, if demands for credit experience an autonomous increase, market interest rates would tend to rise. Such rate increases on market securities would need to be large enough to attract additional lending from the "other domestic sectors." These higher rate levels would tend to make market securities more attractive relative to holdings of deposits. Nominal interest rates on demand deposits are fixed at zero, while rates paid on savings accounts at commercial banks and thrift institutions tend to fluctuate much less than rates on market securities, as illustrated in Chart 2. Moreover, regulated rate ceilings on time and savings deposits have at times constrained the ability of banks and other depositary institutions to offer interest rates on such deposits that are competitive with the market. In the case of depositary institutions specializing in mortgage lending, such as savings and loan associations, competitive interest rates often could not be offered on savings accounts when market interest rates rose, since the earnings of these institutions reflected in large part the lower returns obtained on mortgages that had been acquired before the increase in market interest rates.

2 | Rates on **SAVINGS ACCOUNTS** respond very slowly to market rates



Quarterly data, except monthly for commercial paper and savings at commercial banks in April and May 1971. Weighted average offering rates on savings and loan accounts estimated by Federal Reserve from the FHLBB quarterly survey. Weighted average interest rates paid on savings deposits by commercial banks in the 7th District.

As a result, the more market interest rates rise, the more extensive the process of "disintermediation" becomes. The recent patterns of Euro-dollar borrowings by commercial banks from foreign branches can be viewed as an exception to this generalization. In this case, U.S. commercial banks were bidding aggressively for Euro-dollar loans when interest rates rose rapidly in 1969, thus offsetting some of the curtailment of bank credit. But in 1970–71, when U.S. interest rates declined below the levels of foreign rates, banks were repaying large amounts of Euro-dollar borrowing.

The nonfinancial domestic sectors attracted to the securities markets in periods of rising rates typically acquire a different type of market instrument from those purchased by thrift institutions and banks; therefore, a particular scarcity of funds tends to develop for certain types of loans. Mortgage funds, especially, are not readily provided by the nonfinancial sectors; thus housing credit is curtailed when "disintermediation" occurs. Federal and federally sponsored credit programs have ameliorated some of this unevenness of credit flows, as is indicated by the offsetting fluctuations in the volume of housing-credit-support lending by the Government, particularly in periods of general credit restraint such as in 1969 (Table 3).

Major shifts in the share of lending being provided by different sectors can also be initiated from the supply side. For example, monetary policy can inject more reserves into the banking system, thus fostering more bank credit and in this way exerting downward pressures on interest rates, at least in the short run. The domestic nonfinancial sectors are then encouraged to part with securities and to channel their financial assets into deposits and shares at savings institutions.

SHORT-TERM INTEREST RATES AND MONETARY AGGREGATES

The process just described—in which the nonfinancial sectors become important direct lenders in credit markets when interest rates are rising and high, while banks and savings institutions become more predominant in supplying credit funds when rates are falling and low—is reflected for the most part in movements of the monetary aggregates that measure selected sets of liabilities of banks and thrift institutions.

A rough correspondence in movements between measures of credit supplied by banks and thrift institutions and the monetary aggregates is to be expected, since there is a considerable amount of overlap between data taken from the credit side of these institutions' balance sheets and data that represent their major liabilities. However, the monetary aggregates also measure particular types of liquid assets held by the public, and this is the major focus of the various concepts of money stock.

The narrowly defined money stock (M_1)—that is, currency and demand deposits (other than U.S. Government and interbank)—has the least direct correspondence to credit data on the asset side of the balance sheet, since commercial bank time and savings deposits constitute a major share of the total liabilities of the banking system. However, since the narrowly defined money stock has the special characteristic of comprising the generally accepted medium of exchange, economists have been particularly interested in investigating the association between this type of liquid asset and other economic magnitudes.

Short-term market interest rates are frequently considered as the opportunity cost of holding or obtaining money, both for potential financial investors and for borrowers. Borrowers have to pay this rate as the price for money, and lenders can earn this rate if they are willing to give up money. Since short-term debt instruments are relatively free of market price risk, they are also considered "liquid" and hence are good money substitutes.

For some types of investors, however, savings accounts may be better substitutes for M_1 than are market securities. A 1968 FDIC survey showed that 35 per cent of the dollar amount of demand deposits held by individuals, partnerships, and corporations were in accounts smaller than $10,000; for many of these holders savings accounts would tend to be a more realistic alternative to demand deposit holdings than short-term marketable instruments. Rates on savings accounts for these holders would be a better measure of the cost of holding money than the yields on short-term market securities.

The public's demand for money balances can be thought of as depending on transaction needs and interest rate levels as well as on a number of other specific influences, some of which are difficult to isolate and will not be considered here. Transaction needs can be represented in a very rough fashion by the current-dollar value of GNP on the simplifying assumption that financial and intermediate transactions that are not included in GNP would tend to grow at a similar rate to GNP. When GNP is divided by the current stock of money, the "income velocity" of money is obtained and this velocity ratio then provides some rough allowance for the volume of transactions for which money is used. Data for money velocity, as shown in Table 5, permit a direct examination of the relationship between money stock and interest rates.

When velocity increased substantially, during the subperiods in Table 5, short-term interest rates were tending to increase also. In periods when velocity increased only moderately, remained unchanged, or declined, short-term interest rates remained about

TABLE 5

CHANGES IN THE INCOME VELOCITY OF MONEY AND SHORT-TERM INTEREST RATE MOVEMENTS

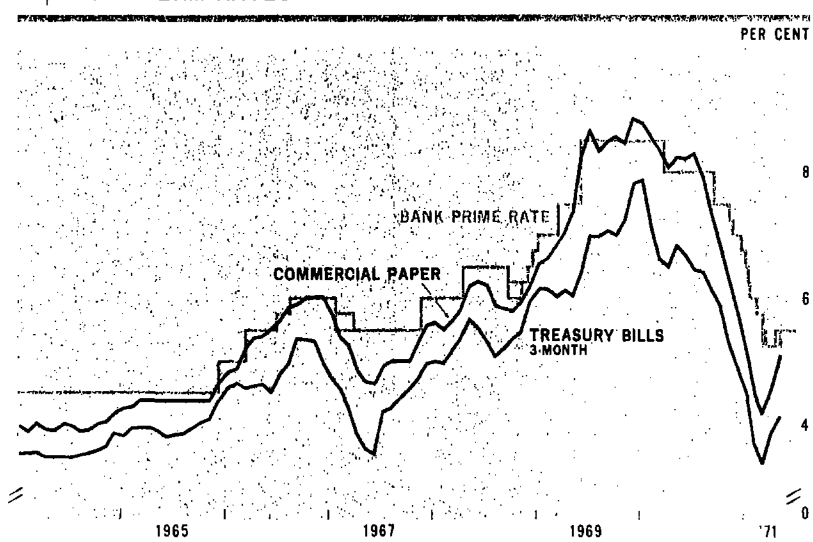
Time period	Velocity of $M1$ [1]	Rate of increase in velocity [2]	Movement in short-term interest rates
Q4 1963	3.95		
Q1 1964–Q2 1965	4.16	3.5	slightly increasing
Q3 1965–Q4 1966	4.50	5.5	increasing
1st H 1967	4.46	−.2	decreasing
Q3 1967–Q2 1968	4.55	2.0	increasing
2nd H 1968	4.55	....	about unchanged
Year 1969	4.68	2.9	increasing
Q1 1970–Q1 1971	4.70	.3	decreasing
Q4 1963–Q1 1971	4.70	2.4	slightly increasing

[1] Terminal quarter GNP, at annual rates, divided by average stock of currency and demand deposits for that quarter.
[2] Percentage change at annual rate.

unchanged or tended to fall. During the entire period from the end of 1963 to the first quarter of 1971, velocity increased at an annual rate of 2.4 per cent but short-term interest rates at their recent lows were only slightly higher than in late 1963. This may indicate, in a rough manner, that there were some economies in the use of money over this period so that some of the increasing trend in velocity could represent efficiencies in the management of cash balances. Alternatively, some of the increasing trend in velocity could also reflect the general rise in the interest rates paid on time and savings accounts.

It should be noted that the relationships among GNP, money stock, and short-term interest rates represent a complex interac-

3 Broad conformity of movement appears despite diversities in SHORT-TERM RATES



Monthly averages except for bank prime rate.

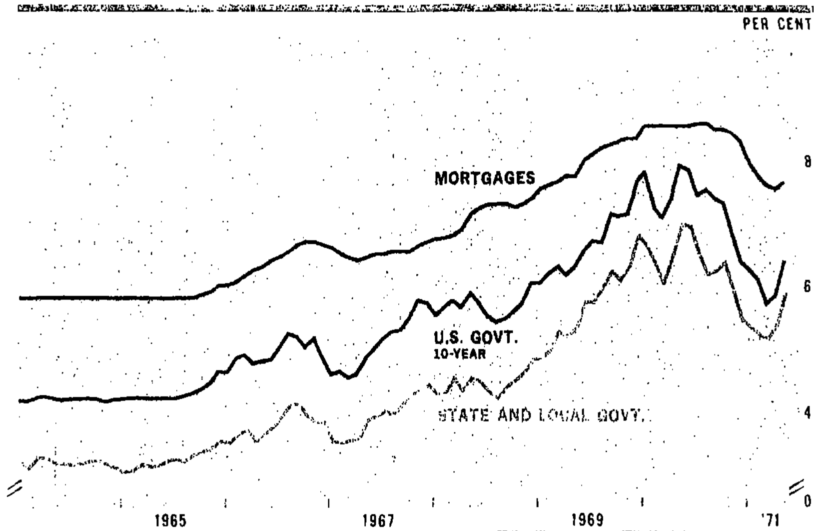
tion. All of these three variables act on one another rather than having only bilateral relationships. Growth in the money stock has a short-run effect in reducing interest rates, making credit more easily available, and making the asset holdings of the public more liquid. These effects stimulate transactions and GNP. The larger GNP—whether in the form of additional product or higher prices—in turn increases interest rates and money demand.

Of course, the presentation in Table 5 has been oversimplified in many respects. Lagged relationships have been neglected, although most econometric work has found that actions by holders of money to adjust their balances lag behind growth in the volume of transactions as well as changes in interest rates. Table 5 thus is merely illustrative of a general approach taken in investigating the relationship between money stock and interest rates.

Expectations represent still other factors that influence the demand for money and short-term interest rates. For instance, expectations about economic developments or about monetary policy influence short-term rates. The strong reaction sometimes observable in short-term rates to changes in the Federal Reserve discount rate, for example, takes place largely because a discount rate change may at times be viewed by the market as an indicator of the likely future course of monetary policy.

Inflationary expectations, however, have a smaller impact on short-term rates than on long-term interest rates. To the extent

4 LONG-TERM RATES exhibit a common trend



Monthly averages. Seasoned State and local govt. bonds (20 issues, mixed quality), Bond Buyer; FHA series (new homes) on average contract interest rates on conventional first mortgages in primary markets; U.S. Govt. security yields as estimated from yield curve.

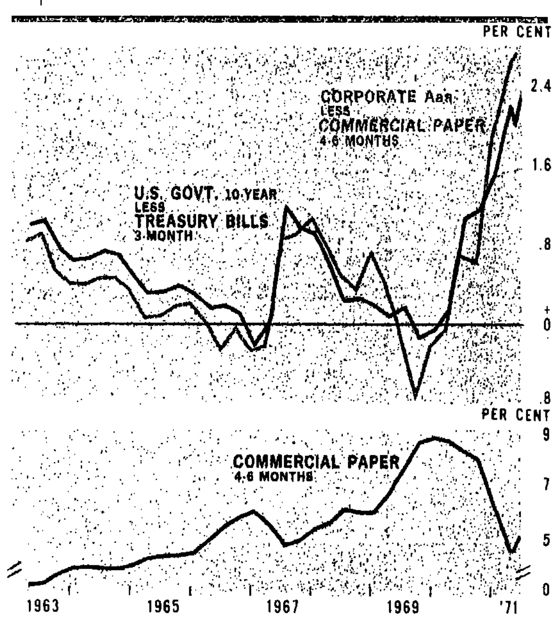
that large investors consider deposit holdings and short-term marketable instruments as their major alternatives for the placement of liquid reserves, neither of these alternative holdings offers protection against inflation. Thus the influence of inflation on short-term interest rates is exerted mainly by the expansion of the current dollar value of transactions, rather than by changing the incentives to substitute between deposits and short-term securities.

MOVEMENTS IN LONG-TERM INTEREST RATES

On the average, the level of long-term rates has been historically somewhat higher than that of short-term rates due to a preference for liquidity by lenders. In general, long-term market rates have tended to move in the same direction as short-term rates, but their amplitude of change has been smaller. As a result of the greater volatility of short-term rates, long-term rates for instruments that are similar in all respects except maturity have frequently been below the corresponding short-term rates during periods when interest rates were at cyclical peaks, and they have been substantially higher than short-term rates when interest rates were unusually low.

This standard pattern of relationships between long- and short-term rates prevailed in the period from 1963 to late 1966. As shown in Chart 5, the spreads between long- and short-term rates

5 | SPREADS between long- and short-term rates ALTER OVER TIME



Based on quarterly averages, except monthly for April and May 1971.

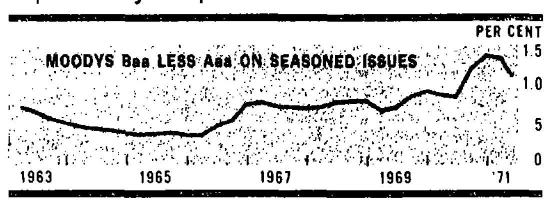
declined significantly during this period as short-term rates were rising. Thereafter, however, the standard relationship did not hold up well. Long-term yields remained higher than short-term interest rates in mid-1968, even though short-term rates had reached a new peak. In 1970 and early 1971, when short-term interest rates were falling, some of the large increase in yield spreads did conform to the usual relationships between long-term and short-term rates. However, the extent to which spreads have widened has been unusually large. In summary, it would seem that long-term rates have had an upward shift relative to short-term rates since early 1967 in comparison to their usual historical relationship.

The wider spread between short- and long-term rates in recent years is frequently attributed to changed expectations about the future course of prices of goods and services. When entering into financial contracts that terminate many years hence, lenders and borrowers must naturally make some evaluation of the range of possible alternatives over the life of the contract. In making such evaluations during the past few years, investors appear to have become more concerned about expected general price increases. When such concerns are strong, investors believe it to be unprofitable to advance funds to bond markets except at high yields.

The pattern of credit demands by borrowers is, of course, also influenced by expectations. In 1970 and early 1971 large demands for long-term funds by borrowers have contributed to the relatively high levels of long-term yields. As is shown in Table 2, the demand for long-term funds has been unusually large in the period from 1970 to early 1971, especially in comparison to the quantity of short-term funds demanded. As was noted earlier, demands in the long-term sectors of the credit market also had increased substantially in early 1967 and late 1968 when interest rates were declining from their preceding peaks. In these earlier periods the declines in interest rates became short-lived: markets had tightened initially in reaction to backlog and anticipatory borrowing demands in the long-term sector; somewhat later short-term borrowing demands also had increased due to vigorous expansion of the economy that provided full-potential activity and intensified inflationary pressures.

Recent yield behavior suggests that inflationary expectations are probably imbedded to a considerable extent in the yield spreads between long- and short-term maturities and to a lesser extent in the level of all interest rates, as already indicated. Investors in short-term marketable assets frequently are anxious to maintain the liquidity of their investment, and there are no good outlets for investment of short-term funds that hedge against inflation. Some long-term investors, however, can find alternative inflation-hedged assets, such as corporate equities and real estate —and can also shift temporarily to short-term assets, when they become apprehensive about the risk of capital losses in the bond markets.

6 | LOWER-GRADE BONDS still demand sizable yield premiums



Based on quarterly averages, except monthly for April and May 1971. Composite averages of seasoned bonds compiled by Moody's Investors Service.

Another feature of current yield spreads is the large difference between the rates on prime- and lower-grade bonds. The yield spread between Baa-rated corporate bonds and Aaa-rated bonds, in the market for seasoned issues, increased since about the time of the filing for bankruptcy of a major railroad last year (see Chart 6). These spreads usually increase in periods of economic recession when uncertainty increases; during the most recent months—perhaps as a reaction to the signs of economic recovery —these spreads have narrowed. □

Staff Economic Studies

The research staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects, and other staff members prepare papers related to such subjects. In some instances the Federal Reserve System finances similar studies by members of the academic profession.

From time to time the results of studies that are of general interest to the economics profession and to others are summarized—or they may be printed in full—in this section of the BULLETIN.

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

Single copies of the full text of each of the studies or papers summarized in the BULLETIN *are available in mimeographed form. The list of Federal Reserve Board publications at the back of each* BULLETIN *includes a separate section entitled "Staff Economic Studies" that enumerates the studies for which copies are currently available in that form.*

Study Summaries

THE RELATIVE IMPORTANCE OF MONETARY AND FISCAL VARIABLES IN DETERMINING PRICE LEVEL MOVEMENTS: A NOTE

Peter S. Rose and Lacy H. Hunt II—Staff, Federal Reserve Bank of Dallas

Published in The Journal of Finance, *vol. 26, no. 1, March 1971*

One of the most perplexing problems of recent months has been the persistence of strong inflationary pressures. These pressures have continued despite restrictive monetary measures and a policy of fiscal restraint enforced by higher marginal income tax rates through mid-1970 and a substantial budget surplus during fiscal 1969. The persistence of inflationary pressures in the face of these restrictive conditions argues for further study of the importance of monetary and fiscal measures, as well as other factors, in explaining price level movements. Surprisingly little work has been done in this area, although considerable research in recent years has been devoted to measuring the comparative impact of monetary and fiscal variables on gross national product and other measures of business activity.

In this paper a linear model is constructed with expectational, cost, monetary, and fiscal arguments to explain percentage changes in the consumer price index and the implicit GNP price deflator for the years 1952–68. The study was intentionally confined to the period following the Treasury–Federal Reserve accord in order to escape the constraints imposed on discretionary monetary policy by the pegging of interest rates in the earlier postwar years. The variables used to explain price level movements included labor costs per unit of output in manufacturing, the monetary base, high-employment Federal expenditures, and a four-quarter weighted average of past rates of change in the price level. All were seasonally adjusted quarterly observations.

While the results varied somewhat with the price index used, the fiscal variable was consistently the most important policy variable for price level changes during 1952–68. Moreover, the initial impact of high-employment Federal expenditures was registered quickly and, in the case of consumer prices, its influence was reasserted in quarterly periods lagged more than 1 year. In contrast, the monetary variable displayed only a marginal effect. This result suggests that short-term changes in monetary growth may have only a mild direct impact on changes in prices. The expectations proxy exerted a significant influence when lagged at least a full year. This result implies that a lag of at least 1 year is required for consumers to adjust their expectations to current price level changes—a factor that tends to counteract stabilization efforts in the short run. □

ESTIMATION OF THE INVESTMENT AND PRICE EQUATIONS OF A MACROECONOMETRIC MODEL

Robert J. Shiller—Massachusetts Institute of Technology

This paper was prepared under a grant from the Social Science Research Council in connection with a continuing study of the impact of monetary policy directed by the SSRC Subcommittee on Monetary Research. This research effort is sponsored by the Board of Governors of the Federal Reserve System. The paper was presented at a conference of the Subcommittee, Washington, D.C., April 30, 1971.

Macroeconometric models have often included investment and price equations that involve either theoretical inconsistencies or contradictory assumptions. This paper discusses some of these problems. Then, a rigorous model is developed that, although it is based on conventional assumptions, is elaborated further than is usual in certain respects to point out some of the relationships that should obtain among different equations.

An investment function for producers' durables, a similar function for producers' structures, and a price equation are all derived from a single model of cost-minimizing behavior. The three equations share a number of parameters: Each equation contains implicitly all the production function parameters. Each equation involves rents of all three factors, which should be computed the same way for the different equations. The interest rate enters all three equations through a single expression for the cost of capital.

It is possible to change the investment equations to eliminate the production function parameters and rents of other factors only by adding assumptions beyond that of cost-minimizing behavior. For Jorgenson, this was the assumption of profit maximization with decreasing returns subject to a horizontal demand function; with Bischoff, the additional assumption was a strict mark-up hypothesis. After discussion, it is concluded that it would be best to avoid using these assumptions. There is no strictly correct way to simplify the price equation.

On the other hand, as long as one is willing to consider a joint estimation procedure for the three equations, there is no need to simplify the equations. In fact, since the production function parameters must be estimated somewhere and are important to the model in simulations, the joint estimation procedure may be justified on efficiency grounds even if, for instance, the strict mark-up hypothesis is granted.

The model developed here was made to conform, in most respects, to the theoretical foundations of the M.I.T.–Penn–S.S.R.C. (MPS) econometric model of the United States, and the equations were estimated from data used in that model. The sample was quarterly, extending from 1953 to 1970. Since the assumptions made here are, except for details, *less* restrictive than those of the corresponding equations of the MPS model, the procedure here can also be viewed as providing estimates of the production function assumed by the MPS model—no such estimate is implicit in the present version of the MPS model. The results were for the most part encouraging, since the production function estimates are quite reasonable.

The paper also includes a brief discussion of the estimation technique used. The joint estimation procedure is conventional, except that a simple and convenient way of implementing it—useful in large models—is employed. The procedure has two stages. The first is ordinary least squares, from which appropriate columns of the variance–covariance matrix, as well as the coefficients and their standard errors, are saved. These single-equation results are then combined, equation by equation, to provide joint estimates and their standard errors. The distributed lag estimation procedure, which does not parametrize the lag curve, is based on first-degree smoothness priors. Such Bayesian priors reflect the coherence of the lag shapes that the theory suggests. □

Member Bank Income, 1970

Member bank net income after taxes increased substantially in 1970, although less rapidly than the record pace of 1969. Despite the easing of monetary policy in 1970, the *average* rate of return on bank earnings assets increased somewhat as compared with the average in 1969. And with credit conditions easier, banks were able to expand their earning base; holdings of both loans and investments rose during the year. In this framework, total operating income of banks moved upward. Although operating expenses also showed a sizable increase during the year, the growth in revenue exceeded that in expenses, and net income of member banks rose to a level exceeding that in any previous year.

SUMMARY

The largest single factor in the rise in total operating income at member banks in 1970—as in other recent years—was earnings from loans, which accounted for about three-fifths of the total increase. In 1969 when growth in total bank credit was limited by monetary policy, loan income amounted to nearly nine-tenths of the increase in operating revenue. To meet the strong demand for loans by their customers, banks had liquidated investments, on balance, to provide funds for lending. With a slowing of economic activity and a weakening of loan demand in 1970, accompanied by some easing of monetary policy, banks vigorously expanded their holdings of securities of State and local governments and U.S. Government agencies and corporations. Income from investment portfolios accounted for nearly 20 per cent of the increase in member bank operating revenue in 1970; when net income from trading account is included, the figure rises to 27 per cent. In 1969 income from these sources had accounted for only 6 per cent of the total increase in operating revenue. A major part of the improvement in income from investment account in 1970 was the higher *average* rate of return realized on these securities.

Operating expenses rose less in dollar amount but at a more rapid rate than revenue. All types of expenses registered some growth except interest on borrowed money. With the sharp decline in short-term interest rates in the United States in 1970, many of the largest banks shifted from high-cost Euro-dollar borrowing to domestic borrowing. By doing so these large banks in particular were able to moderate the growth in their over-all operating expenses.

The expense that ate most heavily into bank profits in 1970 was interest paid on time and savings deposits. Ceiling rates payable on all forms of time and savings deposits were raised in early 1970, and in mid-June the ceiling rates were suspended on large-denomination time deposits with maturities of 30 to 89 days. Most member banks quickly responded by increasing their offering rates on these types of deposits. Because short-term market rates of interest were declining, commercial banks were able to attract huge inflows of deposits, particularly large negotiable certificates of deposit.

Bank profits were also dampened by much larger losses on loans. The provision for loan

NOTE.—This article was prepared by Caroline H. Cagle of the Board's Division of Research and Statistics.

losses—that portion of loan losses deducted as an expense from current operating income—rose by 40 per cent in 1970, compared with an increase of only 11 per cent in 1969. Actual net loan losses for all member banks in 1970 were more than double those in 1969.

Most of the remaining growth in operating costs in 1970 came from higher salaries and wages and employee benefits. These expanded at about the same rate as in 1969.

Taxes applicable to operating income were 2 per cent lower, and net security losses (after taxes) were nearly 50 per cent less, in 1970 than in 1969.

Net income (after security losses, extraordinary charges, and all taxes) of $3,823 million was 10.8 per cent higher than in 1969. Relative to equity capital plus reserves, net income was 10.4 per cent—up somewhat from the preceding year. Net income as a percentage of total capital accounts,[1] one of the standard bases for comparing net income in years prior to 1969 was 11.5 per cent—higher than in any previous year.

Cash dividends declared amounted to $1,754 million in 1970—substantially above the preceding year. The ratio of dividends to equity capital and reserves was 4.79 per cent.

OPERATING INCOME

Member bank operating income rose to $27,913 million in 1970—$2,922 million, or 12 per cent, above the 1969 level (Table 1). This compares with a growth of 20 per cent in 1969. As in other recent periods of monetary ease, the composition of bank revenue reflected an increased contribution of income from securities.

Both an increase in loans outstanding and a higher average rate of return helped to push income from loans (including Federal funds sold and securities purchased under resale agreement) to a record level of $19,487 million—10 per cent above 1969, but far below the 26 per cent increase registered in 1969. Loans to business, to agriculture, and to consumers (other loans to individuals)—as well as real estate loans—rose by 3 to 5 per cent in 1970, whereas all other loans rose by nearly 10 per cent (Table 2). The last group, which includes the amount of Federal funds sold and of securities purchased under resale agreement, rose by 54 per cent in 1970, reflecting in part a shift in bank borrowing from Euro-dollars to Federal funds. Income from the sale of Federal funds (and securities purchased under resale agreement) rose to $781 million—$132 million, or 20 per cent above the level of 1969.

The average rate of return on all loans (including Federal funds sold) rose 34 basis points to 7.91 per cent in 1970 (Table 3), despite five reductions that moved the prime rate from 8½ to 6¾ per cent. During most of the first half of the year the prime rate remained well above the year-earlier level, and it was not until later in the year that there was a large dip below the year-earlier level. Moreover, there was some increase in the average rate of return on all loans as banks replaced low interest rate loans made prior to 1969 with new loans at 1970 interest rates and as the large volume of term loans—those with maturities over 1 year—made in 1969 at the high prevailing rates remained in bank loan portfolios.

While income from loans was rising, losses sustained by banks on loans rose more rapidly than in any year since the 1930's. Actual net losses—derived from the data reported by banks—amounted to $802 million in 1970.[2] Such losses represented 0.33 per cent

[1] Total capital accounts include equity capital and capital notes and debentures but exclude reserves on loans and securities.

[2] This is the sum of (1) net losses charged to reserves for losses on loans for banks reporting on a reserve-accounting method (most banks report on this basis) and (2) the amount reported as current operating expense item "provision for loan losses" for all other banks.

of average loans outstanding in 1970—twice the comparable figure for 1969 and greater than for any other year since 1939. About two-thirds of these losses occurred at large reserve city banks and a significant portion of this total is believed to represent charge-offs related to the reorganization of a major railroad under the bankruptcy act. Larger losses on credit cards also contributed to higher loan losses. A preliminary tabulation of figures for all member banks for 1970 indicated that the dollar amount of net charge-offs on credit cards was about double that in the preceding year.

Banks also earned large sums from their expanded holdings of securities in 1970. Income from the investment portfolio amounted to $4,832 million—up $569 million, or 13 per cent. Supplementing this figure was net income derived from trading account transactions, which rose by $209 million, or 153 per cent. On securities held in the investment portfolio the most rapid expansion in earnings was on U.S. Govern-

TABLE 1

CONSOLIDATED REPORT OF INCOME FOR 1970 AND 1969 FOR ALL MEMBER BANKS AND RESTATEMENT OF 1968 DATA TO REVISED 1969 CONCEPT

Item	Amount, in millions of dollars			Change, 1969–70	
	1970	1969 r	1968 (Restated and partly estimated)	In millions of dollars	Per cent
Operating income—Total	**27,913**	**24,991**	**20,819**	**2,922**	**11.7**
Loans:					
Interest and fees	18,706	17,104	14,143	1,602	9.4
Federal funds sold and securities purchased under resale agreement	781	649		132	20.3
Securities:					
Excluding trading-account income—total	4,832	4,263		569	13.3
U.S. Treasury securities	2,208	2,041	*2,208	167	8.2
U.S. Govt. agencies and corporations	415	322		93	28.9
States and political subdivisions	2,090	1,794	*1,929	296	16.5
Other securities	118	106		12	11.3
Trust department	1,075	972	880	103	10.6
Service charges on deposit accounts	868	835	803	33	4.0
Other charges, fees, etc.	681	557	371	124	22.3
Other operating income:					
On trading account (net)	346	137	....	209	152.6
Other	625	473	486	152	32.1
Operating expenses—Total	**22,193**	**19,525**	**16,189**	**2,668**	**13.7**
Salaries and wages of officers and employees	5,282	4,690	4,097	592	12.6
Officer and employee benefits	876	749	633	127	17.0
Interest on—					
Time and savings deposits	8,139	[1] 7,059	[1] 6,803	1,080	15.3
Federal funds purchased and securities sold under repurchase agreements	1,365	1,177	[2] 559	188	16.0
Other borrowed money	444	562		−118	−21.0
Capital notes and debentures	90	89	95	1	1.1
Net occupancy expense	1,013	867	783	146	16.8
Furniture, equipment, etc.	722	615	506	107	17.4
Provision for loan losses	534	381	[2] 343	153	40.2
Other operating expenses	3,728	3,336	2,370	392	11.8
Income before income taxes and securities gains or losses	5,720	5,467	4,630	253	4.6
Applicable income taxes	1,775	1,813	[2] 1,479	−38	−2.1
Income before securities gains or losses	3,945	3,653	3,151	292	8.0
Net securities gains or losses (−) after tax	−107	−209	[2] −189	−102	−48.8
Extraordinary charges (−) or credits after taxes	−15	5	n.a.	−20	400.0
Less minority interest in consolidated subsidiaries	(3)	(3)	n.a.	....	....
Net income	3,823	3,450	2,962	373	10.8
Cash dividends declared [4]	1,754	1,523	[2] 1,299	231	15.2

[1] This item excludes, and "interest on other borrowed money" and "other operating expenses" include, the following estimated amounts of interest on Euro-dollar borrowing incorrectly reported as interest on time and savings deposits: 1968—$305 million; 1969—$101 million.

[2] Because of the substantial changes in reporting beginning in 1969, it was necessary to restate the 1968 figures to conform as closely as possible with 1969 and 1970 reporting procedures. Some figures were wholly or partly estimated. For the methods used in estimation and a description of the 1969 changes in reporting, see Federal Reserve BULLETIN for July 1970, pp. 564 ff.

[3] Less than $500,000.

[4] On common and preferred stock.

n.a. Not available.

r Revised.

* Includes income from trading accounts shown in other operating income in 1969 and 1970.

NOTE.—Figures may not add to totals because of rounding.

TABLE 2

CHANGES IN MEMBER BANK AVERAGE LOANS, INVESTMENTS, DEPOSITS, AND CAPITAL OUTSTANDING IN 1970

Amounts shown in millions of dollars

Item	Average amount[1]		Change	
	1969[r]	1970	Amount	Percentage
Total loans and investments, gross[2]	**332,879**	**346,800**	13,921	4.2
Federal funds sold and securities purchased under resale agreement	6,116	9,433	3,317	54.2
Other loans	228,386	236,676	8,290	3.6
Commercial and industrial	92,277	96,413	4,136	4.5
Agricultural	6,152	6,451	299	4.9
Real estate	52,069	53,674	1,605	3.1
For purchasing and carrying securities	8,905	8,118	-787	-8.8
To financial institutions	15,436	16,335	899	5.8
Other loans to individuals	47,081	48,982	1,901	4.0
All other	6,466	6,702	236	3.7
U.S. Treasury securities[3]	41,257	39,256	-2,001	-4.9
U.S. Govt. agency and corporation securities[3]	5,541	6,324	783	14.1
States and political subdivision securities[3]	46,419	49,348	2,929	6.3
Other securities[3]	1,892	1,877	-15	-.8
Trading account securities[4]	3,268	3,886	618	18.9
Total deposits	350,799	360,721	9,922	2.8
Time deposits	157,902	163,610	5,708	3.6
Savings	74,828	74,254	-574	-0.8
Other time I.P.C.	64,035	68,526	4,491	7.0
All other time	19,039	20,830	1,791	9.4
Equity capital[5]	29,314	31,310	1,996	6.8
Total capital accounts[6]	31,114	33,111	1,997	6.4
Reserves on loans and securities	4,832	5,282	450	9.3
Total equity capital and reserves	34,146	36,592	2,446	7.2

[r] Revised.

1 Averages of figures for three call dates—the end of the preceding year and the June 30 and December 31 call dates for the calendar year. For 1969 the data for June 30 and December 31 were reported on a consolidated basis; data on a consolidated basis were not available for Dec. 31, 1968.

2 Includes securities held in trading account.

3 Excludes securities held in trading account.

4 Figures for securities held in trading account for Dec. 31, 1968, were estimated.

5 Includes common stock, preferred stock, surplus, undivided profits, and reserves for contingency and other capital reserves.

6 Includes equity capital plus capital notes and debentures.

ment agency securities and State and local obligations: $93 million (29 per cent) and $296 million (17 per cent), respectively. This reflects larger holdings and higher average rates of return than in 1969. For U.S. Government agency securities the average rate of return increased by 74 basis points to 6.55 per cent; for State and local obligations, by 36 basis points to 4.23 per cent. While average holdings of U.S. Treasury securities declined by nearly 5 per cent in 1970, this was more than offset by an increase of 67 basis points in the average rate of return. Thus total income from Treasury issues rose by 8 per cent compared with a decline of about this proportion in 1969.

Earnings from other sources, which make up a little more than one-tenth of all the operating revenue of banks, expanded by 14 per cent in 1970. A sizable part of the increase reflected trust department income, which continued its steady upward movement to a total of $1,075 million. This was 11 per cent greater than in 1969. Service charges on deposit accounts ($868 million) produced only a little more income than in 1969, but other charges, fees, and so forth rose by $124 million, or 22 per cent. The latter category includes a wide variety of collection and exchange charges and commissions and fees; among these are income from equipment leasing and from certain types of loan servicing. Other operating income (excluding trading account income) totaled $625 million—$152 million, or 32 per cent, above the 1969 figure. About one-

TABLE 3

SELECTED MEMBER BANK INCOME RATIOS

In per cent

Ratios	*1970*	*1969[r]*	*1968[1]*
Ratios to equity capital (including reserves):			
Income before securities gains or losses	10.75	10.70	10.04
Net income	10.44	10.10	9.43
Cash dividends declared[2]	4.79	4.46	4.14
Rates of return on—			
Loans, gross	7.91	7.57	6.66
U.S. Treasury securities[3]	5.62	4.95	4.79
U.S. Govt. agencies and corporations[3]	6.55	5.81	
State and local govt. obligations[3]	4.23	3.87 }4.13	3.67
Other securities[3]	6.30	5.59	
Interest on time deposits to total time deposits	4.98	[r]4.47	[r]4.36

[r] Revised.

1 Data for 1968 are not entirely comparable with those for 1969 and 1970 because of changes in reporting procedures. See BULLETIN for July 1970, pp. 571 and 572.

2 On common and preferred stock.

3 Ratios for 1969 and 1970 based on bank's own investment account—excluding trading account. Ratios for 1968 include trading account.

NOTE.—These ratios were computed from aggregate dollar amounts of income and expense items. The capital, deposits, loans, and securities items on which the ratios were based were averages for two call dates in the calendar year and the last call date in the preceding year. For Dec. 31, 1968, the amount of trading account securities was not reported separately, but such holdings were estimated.

fifth of this increase represented larger net earnings from foreign branches, which expanded by nearly one-third in 1970.

OPERATING EXPENSES

Operating expenses of member banks rose at a more rapid rate than revenue in 1970. Such expenses totaled $22,193 million and were nearly 14 per cent above 1969.

A major part of the increase was the larger amount of interest paid on time and savings deposits. The increase in this item accounted for two-fifths of the growth in all operating expenses. After the early 1970 rise in the maximum permissible rates payable by commercial banks on savings and other time deposits, most member banks, particularly the larger ones, pushed their offering rates to ceiling levels. Shortly thereafter, savings and consumer-type time deposits began to expand at banks, and in general such deposits rose throughout the rest of the year. Even though ceiling rates on large CD's had been raised in January, banks could sell only a limited volume of such instruments because interest rates on competing money market instruments remained significantly above the rates that banks were permitted to offer. But after the suspension in late June of the Regulation Q ceiling on large-denomination time deposits maturing in 30 to 89 days, banks quickly raised their offering rates on such instruments to competitive levels. Net sales of these deposits jumped sharply in the latter part of 1970. Toward the end of the year bank offering rates on these large deposits were lowered to bring them more in line with declining market rates on competing instruments, but interest rates on passbook savings and consumer-type CD's generally remained at or near ceiling levels.

Reflecting these developments, the average interest rate paid on all time and savings deposits rose by 51 basis points to 4.98 per cent in 1970. This, coupled with the increase in the volume of deposits, raised total interest payments on time and savings deposits to $8,139 million—$1,080 million, or 15 per cent, more than in 1969.

As funds became more plentiful at home and U.S. short-term interest rates dropped sharply, banks—mainly the largest institutions—began to substitute funds obtained from domestic sources for high-cost Euro-dollar borrowing. They obtained some of these funds from Federal funds purchases and securities sold under repurchase agreements. Interest paid on such purchases at all member banks increased by $188 million, or 16 per cent, in 1970. This was partly offset by a reduction of $118 million in the cost of other borrowed money.[3]

Salaries and wages, the second largest expense item for banks, rose by $592 million to $5,282 million in 1970. This was an increase of about 13 per cent and reflected a growth of 6 per cent in the number of officers and employees and about the same increase in average salaries and wages. Officer and employee benefits continued to expand faster than salaries. This item rose to $876 million—17 per cent above the 1969 total.

Provision for loan losses contributed heavily to bank expenses in 1970. The total was $534 million, or 40 per cent more than in 1969. This compares with a growth in average loans of less than 5 per cent. For banks that operate on a reserve-accounting method—and most of them do—the provision for loan losses is an estimate of their average loan losses in recent years (determined by methods prescribed by supervisory

[3] These figures do not reflect the full extent of the decline in interest paid on borrowed money in 1970, since the cost of Euro-dollar borrowing—when such borrowing is from the bank's own foreign branches—is shown in "other operating expenses." For reserve city banks in New York City "other operating expenses" declined in 1970, as shown in Table 4, but this decline was offset by increases in this item at banks outside New York City.

authorities); for these banks all losses on loans sustained during the year must be charged against the reserve for losses on loans. For the relatively few banks that do not operate on a reserve-accounting method —less than 300 small institutions—the provision for loan losses—shown as an operating expense—represents actual net loan losses for the year.

Other operating expenses amounted to $5,463 million. Of this total, $1,735 million represented net occupancy expenses and furniture, equipment, fixtures, and so forth. These were about 17 per cent higher than in 1969. All other operating expenses—$3,728 million—were about 12 per cent above the year-earlier total.

OTHER TRANSACTIONS

Net losses on securities (before taxes) amounted to $225 million in 1970—less than half as much as in 1969. Because these losses reduce net income from current operations for tax purposes, the after-tax effect of security losses was $107 million, or about 3 per cent of net income before security gains or losses. Extraordinary charges and minority interest in consolidated subsidiaries were negligible in 1970, as in the preceding year.

INCOME TAXES

Provision for all income taxes (including taxes related to security transactions and other nonoperating sources) amounted to $1,480 million in 1970—up $257 million from 1969. Reflecting in part the expiration in mid-1970 of the Federal surtax on net income and in part the further growth in income from State and local government obligations, which is tax-exempt, income taxes applicable to operating income declined to $1,775 million—2 per cent less than in 1969. Losses sustained by banks on securities transactions and tax-deductible transfers from capital accounts to reserves for losses on loans lowered the amount of bank tax liability by $295 million. Tax reductions from these two sources had aggregated $590 milion in 1969.

NET INCOME AND CASH DIVIDENDS

The $3,823 million in member bank net income after taxes in 1970 was $373 million, or 10.8 per cent, higher than in 1969. This represented a rate of return on equity capital (including reserves) of 10.44 per cent—34 basis points above the ratio for 1969.

Net income as a percentage of total capital accounts—a figure used in years prior to 1969 as a measure of bank profitability—was 11.5 per cent in 1970. This compares with 11.1 per cent in 1969, and with the previous record of 10.9 per cent established in 1945. It should be noted, however, that the 1969 and 1970 figures are not entirely comparable with those for prior years because of the effects of consolidation of earnings of domestic subsidiaries and of shifts by some banks from cash to accrual accounting beginning in 1969—for both of which no adjustments could be made.

NET INCOME BY CLASS OF BANK

Profits at both large and small banks moved upward in 1970. Nevertheless, the rates of growth varied substantially by class of bank. Net income after taxes rose by 17 per cent for reserve city banks in New York City compared with increases of 8 and 7 per cent, respectively, for reserve city banks in Chicago and all other reserve cities and an increase of 12 per cent for the smallest banks —country members (Table 4).

One of the major factors in the superior performance of New York City banks was a smaller growth in expenses from 1969 to

1970 due in part to the reduced cost of borrowed money. As indicated earlier, money market banks shifted much of their borrowing from high-cost Euro-dollars in 1969 to lower-cost domestic funds in 1970. Since City banks accounted for a large part of all Euro-dollar borrowing, these banks benefited most from the shift. Lower income taxes on operating earnings and smaller security losses also helped boost profits at many member banks in 1970. These factors were more important, however—in relation to earnings from current operations—for City banks than for other member banks. Only reserve city banks in Chicago, as a group, reported higher income taxes applicable to current earnings and larger security losses in 1970 than in 1969. □

TABLE 4

CONSOLIDATED REPORT OF INCOME FOR 1970 AND 1969 FOR MEMBER BANKS GROUPED BY CLASS

In millions of dollars

Item	All member banks		Reserve city						Country	
			New York City		City of Chicago		Other			
	1970	1969	1970	1969	1970	1969	1970	1969	1970	1969
Operating income—Total	**27,913**	**24,991**	**5,116**	**4,668**	**1,230**	**1,085**	**10,450**	**9,332**	**11,117**	**9,906**
Loans:										
Interest and fees	18,706	17,104	3,523	3,324	817	765	7,217	6,641	7,148	6,374
Federal funds sold and securities purchased under resale agreement	781	649	94	116	31	30	301	221	355	283
Securities:										
Excluding trading-account income:										
U.S. Treasury securities	2,208	2,041	279	247	81	70	671	598	1,177	1,125
U.S. Govt. agencies and corporations	415	322	36	16	8	4	78	54	293	248
States and political subdivisions	2,090	1,794	296	258	80	71	721	635	994	830
Other securities	118	106	26	20	6	5	44	39	43	41
Trust department	1,075	972	336	309	79	71	421	374	238	218
Service charges on deposit accounts	868	835	66	61	6	5	326	313	469	457
Other charges, fees, etc.	681	557	105	83	20	18	312	254	244	202
Other operating income:										
On trading account (net)	346	137	160	56	23	27	150	50	13	5
Other	625	473	195	178	78	20	208	152	143	123
Operating expenses—Total	**22,193**	**19,525**	**4,051**	**3,650**	**961**	**849**	**8,385**	**7,326**	**8,796**	**7,699**
Salaries and wages of officers and employees	5,282	4,690	905	794	181	156	1,994	1,762	2,202	1,978
Officer and employee benefits	876	749	175	145	38	30	327	283	335	290
Interest on—										
Time and savings deposits	8,139	7,059	995	826	288	249	3,085	2,738	3,770	3,245
Federal funds purchased and securities sold under repurchase agreements	1,365	1,177	398	366	137	106	699	592	131	112
Other borrowed money	444	562	228	126	35	163	150	239	31	35
Capital notes and debentures	90	89	26	29	2	2	40	39	22	19
Net occupancy expense	1,013	867	195	160	41	27	361	311	415	369
Furniture, equipment, etc.	722	615	90	73	21	19	280	239	331	285
Provision for loan losses	534	381	82	48	30	13	199	132	224	187
Other operating expenses	3,728	3,336	956	1,084	188	83	1,249	990	1,335	1,179
Income before income taxes and securities gains or losses	5,720	5,467	1,065	1,018	269	236	2,065	2,005	2,321	2,207
Applicable income taxes	1,775	1,813	370	390	92	81	670	679	644	663
Income before securities gains or losses	3,945	3,653	695	628	178	156	1,395	1,326	1,677	1,544
Net securities gains or losses (−) after taxes	−107	−209	−55	−78	−13	−7	−32	−75	−7	−49
Extraordinary charges (−) or credits after taxes	−15	5	3	(1)	−2	2	−20	2	4	2
Less minority interest in consolidated subsidiaries	(1)	(1)	....	....	....	....	(1)	(1)	(1)	(1)
Net income	3,823	3,450	642	551	162	150	1,343	1,252	1,675	1,496
Cash dividends declared	1,754	1,523	423	345	88	70	651	593	592	515
Ratios (per cent):										
To equity capital (incl. reserves):										
Income (after taxes) before securities gains or losses	10.75	10.70	9.76	9.23	9.77	9.05	10.80	11.06	11.31	11.32
Net income	10.44	10.10	9.03	8.10	8.91	8.70	10.40	10.44	11.35	10.97

1 Less than $500,000.

NOTE.—Figures may not add to totals because of rounding.

Two Key Issues of Monetary Policy

I intend to focus this morning on two problems that concern practically all of our countries. We have just experienced an international monetary crisis, the ultimate repercussions of which are not yet clear. We shall therefore need to exchange ideas on how to deal with large short-term capital flows in the future.

The other major problem that haunts industrialized countries is the power and persistence of cost–push inflation. Let us turn to this at once.

Virtually all industrialized countries are suffering from inflation at present. In some, aggregate demand for goods and services is still booming, so a rising price level can be expected. In others, however, costs and prices are continuing to advance in the face of substantial unemployment and increasing idle capacity of industrial plant.

We are living in an age in which cost–push inflation has emerged as a major obstacle to economic stability. Unless we find workable solutions to this problem, our best efforts to promote economic progress and the general welfare may be thwarted.

Clearly, countries that are now experiencing demand–pull inflation must pursue monetary and fiscal policies that aim to eliminate excess demand. But they may well find, as others have, that elimination of excess demand does not assure a prompt return to price stability.

The recent experience of the United States is a case in point. During the past year and a half, our unemployment rate has risen from 3½ per cent to about 6 per cent. Labor is now readily available across the range of skills and in most sections of the country. Virtually all industries have substantial amounts of excess capacity. In such circumstances, past experience would have led us to expect a substantial reduction in the rate of increase of costs and prices, if not actual declines. In fact, however, the improvement thus far has been modest.

True, we have made progress over this past year in regaining normal rates of growth in productivity. However, increases in average compensation per manhour have shown no sign of abatement, and the advance of unit labor costs has therefore moderated less than we had hoped. With profit margins remaining very low, businessmen have taken available opportunities to pass their cost increases through to higher prices.

The continuance of a rising price level in the midst of substantial unemployment thus stems, basically, from continuing rapid increase in wages. Understandably, workers are seeking to obtain wage gains large enough to offset the effects of past increases in prices on their real incomes and savings, but this development also reflects the weakening of competitive forces in both our labor and product markets. Wages and prices have not been responding as sensitively as they once did to shifts in the balance between supply and demand.

The American economy is not unique in this respect. The problem of cost–push inflation has been plaguing many nations in recent years. In Canada, for example, unemployment began rising in 1966 and has been increasing irregularly since then. New wage settlements under collective bargaining agreements, however, have yet to show any

NOTE.—Remarks of Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the 1971 International Banking Conference, Munich, Germany, May 28, 1971.

appreciable sign of moderation. In the United Kingdom, the unemployment rate has been slowly rising over the past 5 years or so. Nonetheless, the upward movement of wages and prices appears to have accelerated in the past 18 months.

Cost–push inflation cannot be dealt with effectively by using monetary and fiscal tools alone. In today's environment, efforts to do so would inevitably reduce output and employment far beyond the limits that our governments can accept or their citizens tolerate. On the other hand, I fear that cost pressures may become so intractable in our countries that they will ultimately weaken democratic institutions, besides stifling economic progress.

Over a year ago, I reluctantly came to the conclusion that monetary and fiscal instruments needed to be supplemented for a time by incomes policies in the United States—that is, policies designed to enable labor and commodity markets to approximate more closely the competitive model. My conviction has been strengthened by developments during the past year.

I recognize that governmental involvement in the determination of wages and prices can give rise to inequities, to misallocation of resources, to the blunting of private initiative, and to an administrative morass, but I am also aware of the moral force of governmental leadership over private decisions in key industries, to say nothing of the capacity of a vigilant government to remove or reduce the special market power that privileged groups now have.

We need in the United States, and I believe also in other countries, greater reliance on policies that promise to change the structure and functioning of labor and product markets, so that upward pressures on costs and prices may be reduced. To cope with the inflationary bias presently at work in our economies, I see no acceptable alternative to experimentation with incomes policies—including wage and price review boards that stop short of mandatory controls.

Let me turn next to the problem posed by massive short-term capital movements. Recently, as we all know, heavy speculation in favor of a few currencies has led to changes in the exchange-rate regimes of several countries. It may be helpful to say a few words about the background of these events, asking what we can learn from the crisis we have been through.

The heavy flow of short-term funds from Europe to the United States in 1968–69 and the return flow during the past year resulted from a disparity in the phasing of the business cycle in the two areas. The United States experienced serious demand–pull inflation, and also moved to combat it, before Europe did. More recently, while demand conditions have remained strong in Europe, we in the United States have sought to prevent a sluggish economy from slipping into a cumulative recession.

Differences in economic and credit conditions thus account for the swings in short-term capital flows of recent years. In particular, the flow across the Atlantic since early 1970 reflected not only a push from the United States but also a pull from Europe. The push from the United States resulted from the easing of our credit conditions. The pull from Europe was just as clearly the result of a continuing demand for Euro-dollars by corporations and governmental entities that sought to escape from tight credit within their domestic markets.

It was against this background of a massive return of short-term capital to Europe in 1970–71 that speculative fever broke out a few weeks ago. Oddly enough, there were good reasons to believe that we had already passed the peak of capital flow.

The U.S. Government issue of $3 billion in special securities to foreign branches of American banks had served to check the flow of dollars to European central banks. After mid-March, a convergence of interest rates got under way, with short-term rates rising in the United States and declining in Europe. By April the repayment by U.S. banks to their foreign branches had slowed sharply. Not only that, steps were already being taken to check the creation of Euro-dollars by European central banks which had inadvertently, but on a disconcertingly large scale, added to the dollar reserves that resulted from the balance of payments deficit of the United States. In addition, major plans were being developed by the U.S. Treasury to provide improved investment outlets for central bank reserves in the United States.

Unhappily, the calm that appeared to exist in these unfolding circumstances was disrupted by various events in Europe with which you are all-familiar.

The events of the past 2 weeks have left a residue of resentment among European countries and toward the United States. If some of you feel that the United States depended excessively on monetary ease in the past year, there are surely grounds for holding that European countries relied excessively on monetary stringency during this period.

I must remind you of two facts. First, the United States recently resorted to a far more restrictive policy to wring excess demand out of its economy than any country in the world, with the possible exception of Canada. Second, if a cumulative recession had been allowed to occur in the United States, it would almost certainly have brought serious economic and political trouble to other nations of the free world.

Let me turn briefly now to several lessons we can derive from recent events.

First, in a world of convertible currencies, with many business firms and financial institutions commanding large sums, differences in monetary conditions can induce sizable movements of short-term capital among nations. Let us recognize that such flows are the result of a pull from the receiving countries as well as a push from the capital-exporting countries.

Second, the amplitude of short-term capital movements will become smaller if we manage to reduce differences in monetary conditions. This would require, in all major countries, a more active use of fiscal policy for domestic stabilization purposes. The political obstacles here are formidable but, I hope, not insurmountable. We should keep this goal before our minds as we deal with day-to-day problems.

Third, the Euro-currency markets no doubt facilitate the international movement of short-term capital, but let us not deceive ourselves regarding cause and effect. The flow of funds through these markets is a response to differences in basic economic and monetary conditions among countries, not a cause of such differences.

Fourth, some industrialized countries lack the facilities to neutralize the disruptive effects of large capital inflows or outflows on their domestic money supply. It is important that we all press forward, individually and jointly with other nations, in devising institutions that may serve to reduce the destabilizing impact of short-term capital flows.

Fifth, we live in a world in which private citizens and businesses are expected to act in response to the profit motive. Central banks, on the other hand, have a stabilizing function that should not be influenced by considerations of profit or loss. If central banks are to respond to the same factors that motivate private entities, they are likely to aggravate their own problems, as happened during the past year when a significant volume of central bank reserves was placed in the Euro-dollar market.

Sixth, there is a tendency in some quarters to identify the U.S. balance of payments as the common cause of inflation in other countries. I recognize that the flow of short-term capital has had the effect, to some degree, of undermining monetary policies in some countries. But let us not exaggerate this effect. The wage explosions experienced by European countries in recent years cannot be attributed to the U.S. balance of payments.

Seventh, what I have just said represents in no sense an attitude of complacency about the U.S. balance of payments. In a recent appearance before a Senate committee, I stressed once again the overriding need to restore price stability at home and, in present circumstances, to maintain our governmental constraints on private capital outflows. I also took that occasion to note the need to develop more effective methods for recycling funds across national boundaries when substantial short-term capital flows occur, the need for some countries to relax their restrictions on commodity imports and capital outflows, and the need for America's allies to make a significantly larger contribution to the defense of the free world.

In closing, I would like to repeat what I told the Senate Banking Committee about the prospects for the U.S. balance of payments. I see no reason for gloom about these prospects.

Our price performance has recently been better than that of many other industrial countries. This advantage is likely to continue and it should permit us to regain competitive strength that we probably lost in the second half of the 1960's.

Our receipts of investment income from abroad have been rising rapidly. We expect this to continue even as rewards from investment at home, which affect both our capital and current accounts, loom larger.

We have seen in recent years a large increase of foreign investment in the U.S. stock market. This too should continue, provided we maintain a strong and healthy economy and take measures to prevent recurrences of the sort of speculative crisis that occurred recently.

The reduction of our troops in Vietnam is diminishing the military drain on our balance of payments. We expect this reduction to continue.

Finally, the bulk of the short-term capital outflow through our banks is now behind us. American banks have reduced the liabilities to their foreign branches from over $14 billion in early 1970 to less than $2 billion presently. Thus, even before our underlying payments position improves, our deficit on the official settlements basis should fall sharply from its rate of the last year or so.

These favorable prospects can be hastened if they are accommodated to by other countries. After all, the counterpart of the U.S. deficit is the rest of the world's surplus. We and our major trading partners need to respect, in a spirit of candor and understanding, the policy implications of this simple arithmetic truism. □

Survey of Demand Deposit Ownership

Since June 1970 the Federal Reserve System has been conducting a survey on the ownership of demand deposits held at commercial banks in the United States. This new Survey—the last nationwide survey of this type was in January 1961—provides quarterly estimates of the ownership of gross demand deposits of individuals, partnerships, and corporations (IPC) at all commercial banks in the United States and monthly estimates for such deposits at large weekly reporting banks. Five depositor categories are identified in the Survey: financial business, nonfinancial business, consumer, foreign, and all other.

The data to date indicate that nonfinancial businesses hold somewhat more than half of the total IPC demand deposits in the United States and financial businesses about 10 per cent. Thus, in the aggregate, businesses hold more than three-fifths of the total. Consumers are the major remaining holder group, accounting for somewhat more than 30 per cent. The residual is divided between other domestic depositors (6 per cent) and foreign lenders (1 per cent). While the relative shares of the various owner categories do not fluctuate widely from month to month, the data indicate that the structure of deposit ownership has shifted moderately since June 1970. Balances of financial businesses and consumers have increased in relative importance while those of nonfinancial businesses have declined. In fact, consumer deposits account for nearly four-fifths of the $6.3 billion rise in total IPC balances at all weekly reporting banks between June 1970 and April 1971. However, with less than a year's data, it is difficult to determine whether—or to what extent—these changes in ownership structure reflect seasonal movements.

This article outlines the format of the Survey and presents estimates of deposit ownership based on data collected from June 1970 through April 1971. These estimates are presented in Tables 1 and 2. The results of subsequent surveys will appear regularly in future BULLETINS. This article also describes the relationship of the deposits covered in the Survey to the concept and measures of the money stock published in the BULLETIN (seasonally unadjusted M_1) and to the estimates of money stock ownership shown in the Federal Reserve flow of funds accounts. A detailed review of the survey format and a discussion of the statistical reliability of the survey estimates are presented in a Technical Appendix.

OUTLINE OF SURVEY FORMAT

The Survey of Demand Deposit Ownership focuses on deposit balances that are classified on reports of condition submitted by banks to the supervisory authorities as being held by individuals, partnerships, and corporations—specifically, balances reported by banks under item 15 on the quarterly consolidated report of condition. Reporting banks have been asked to classify these accounts into five categories: financial business, nonfinancial business, consumer, foreign, and all other domestic depositors.[1]

The information is collected from a sample of banks—413 banks of a total of about

[1] See the Technical Appendix for a detailed description of the types of depositors in the various categories.

14,000. Somewhat more than half of the sample was selected from commercial banks that had total deposits in excess of $100 million in mid-1968. On the basis of the reports from this part of the sample, it is possible to make monthly estimates of IPC deposit ownership at all large banks for which comprehensive weekly reports of condition are regularly published (Federal Reserve statistical releases and the BULLETIN, pp. A26–A30). The remaining sample banks were selected from among smaller commercial banks; these banks were asked to report information on deposit ownership for the last month of each calendar quarter. The data for the combined sample make possible the construction of quarterly estimates (the last month of the quarter) of IPC demand deposit ownership at all commercial banks. For both parts of the Survey, the data are on a daily-average basis for the month.

OWNERSHIP DISTRIBUTION OF IPC DEMAND DEPOSITS

In the months covered by the Survey so far, nonfinancial business firms owned somewhat more than half of the total IPC deposit balances, with the shares held by financial businesses and consumers accounting for about one-tenth and slightly less than one-third of the total, respectively, as shown in Table 1. Balances of foreigners and of depositors in the all other category made up the remaining shares of about 1 per cent and 6 per cent, respectively. Deposit holdings of nonfinancial business firms, financial business firms, and foreigners account for somewhat greater proportions of total IPC demand deposits at weekly reporting banks than they do at all commercial banks (Table 2). Correspondingly, the relative shares of the total held by consumers and by all other domestic depositors at weekly reporting banks are smaller.

These differences in the relative ownership distribution of demand deposits among U.S. banks are highlighted in Table 3. It shows that financial and nonfinancial businesses together account for approximately 70 per cent of the total of IPC deposits at large commercial banks, whereas at smaller banks the balances of these depositors make up only slightly more than half of the total.[2] Conversely, consumers are a decidedly less important source of demand deposit funds at large commercial banks than at smaller banks, with balances supplied by these depositors at large banks about one-fifth of

[2] The estimates of deposit ownership at banks other than those reporting weekly were not based directly on data supplied in the Survey. These estimates were derived by deducting estimates of ownership holdings at weekly reporting banks from such estimates for all commercial banks. Thus the nonweekly reporting bank estimates are subject to the sampling errors found in the weekly reporting bank estimates, as well as those found in the all commercial bank estimates.

TABLE 1

IPC DEMAND DEPOSIT OWNERSHIP AT ALL COMMERCIAL BANKS
Quarterly Estimates, June 1970–March 1971

Category	Outstanding (millions of dollars)				Percentage distribution			
	1970			1971	1970			1971
	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.
Financial business	16,649	17,029	17,315	18,222	10.2	10.1	9.9	10.7
Nonfinancial business	85,808	88,050	92,687	86,027	52.5	52.5	52.9	50.4
Consumer	49,888	51,392	53,564	54,700	30.5	30.6	30.6	32.0
Foreign	1,425	1,371	1,285	1,387	.9	.8	.7	.8
All other	9,595	10,018	10,271	10,473	5.9	6.0	5.9	6.1
Total	163,364	167,860	175,122	170,810	100.0	100.0	100.0	100.0

NOTE.—Details may not add to totals because of rounding.

TABLE 2

IPC DEMAND DEPOSIT OWNERSHIP AT WEEKLY REPORTING BANKS

Monthly Estimates, June 1970–April 1971

Category	1970							1971			
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Outstanding (millions of dollars)										
Financial business	12,835	13,588	12,720	13,382	13,217	13,587	13,502	13,936	13,810	14,052	14,126
Nonfinancial business	52,980	52,813	52,821	53,850	53,708	53,910	56,138	54,446	52,267	52,401	53,413
Consumer	20,976	20,609	20,574	21,151	20,856	21,066	23,280	24,096	23,060	23,889	25,289
Foreign	1,306	1,415	1,235	1,272	1,238	1,185	1,183	1,224	1,217	1,259	1,251
All other	5,208	5,314	4,852	5,472	5,822	5,415	5,551	5,583	5,486	5,716	5,704
Total	93,306	93,739	92,204	95,127	94,841	95,163	99,653	99,286	95,840	97,317	99,783
	Percentage distribution										
Financial business	13.8	14.5	13.8	14.1	13.9	14.3	13.6	14.0	14.4	14.4	14.2
Nonfinancial business	56.8	56.3	57.3	56.6	56.6	56.7	56.3	54.8	54.5	53.9	53.5
Consumer	22.5	22.0	22.3	22.2	22.0	22.0	23.4	24.3	24.1	24.6	25.3
Foreign	1.4	1.5	1.3	1.3	1.3	1.2	1.2	1.2	1.3	1.3	1.3
All other	5.6	5.7	5.3	5.8	6.1	5.7	5.6	5.6	5.7	5.9	5.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

NOTE.—Details may not add to totals because of rounding.

TABLE 3

PERCENTAGE DISTRIBUTION OF IPC DEMAND DEPOSITS AT SELECTED GROUPS OF BANKS, BY OWNERSHIP CATEGORY

Quarterly Estimates, June 1970–March 1971

Category	June			September			December			March		
	All commercial banks	Weekly reporting banks	Other banks	All commercial banks	Weekly reporting banks	Other banks	All commercial banks	Weekly reporting banks	Other banks	All commercial banks	Weekly reporting banks	Other banks
Financial business	10.2	13.8	5.4	10.1	14.1	5.0	9.9	13.6	5.1	10.7	14.4	5.7
Nonfinancial business	52.5	56.8	46.9	52.5	56.6	47.0	52.9	56.3	48.4	50.4	53.9	45.9
Consumer	30.5	22.5	41.3	30.6	22.2	41.6	30.6	23.4	40.1	32.0	24.6	41.7
Foreign	.9	1.4	.2	.8	1.3	.1	.7	1.2	.1	.8	1.3	.2
All other	5.9	5.6	6.3	6.0	5.8	6.3	5.9	5.6	6.3	6.1	5.9	6.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

NOTE.—Details may not add to totals because of rounding.

total IPC deposits compared with about two-fifths of the total at smaller banks. Also, deposits of foreign IPC customers are relatively much more important at weekly reporting banks than at smaller banks, and balances of customers in the all other category have less relative importance at the weekly reporting banks.

COMPARISON WITH DATA FROM EARLIER SURVEYS

The estimates of the relative ownership distribution of IPC deposits at all commercial banks obtained in the present Survey appear to differ only moderately from the distribution estimated in the 1961 survey. As shown in Table 4, the estimated percentages of total IPC demand deposits held by financial businesses, nonfinancial businesses, and foreigners in this Survey are somewhat below those measured in the 1961 survey. Conversely, the estimated shares of total IPC demand balances held by consumers and depositors in the all other category are somewhat higher now than in 1961.

Some caution is required in interpreting these comparisons because the surveys differ in several significant respects. The estimates for 1961 and earlier were derived from reports reflecting balances outstanding on a single day late in January, while the 1970–71 data are based on estimates of daily-average balances held during the reporting

TABLE 4

PERCENTAGE DISTRIBUTION OF DEMAND DEPOSIT OWNERSHIP AT COMMERCIAL BANKS IN THE UNITED STATES, 1947–71

Annual averages, or 1-month estimate	Financial business	Nonfinancial business	Consumer	Foreign	All other
1947–49	8.8	57.3	27.5	n.a.	6.4
1952–55	9.9	55.1	28.6	n.a.	6.4
1957–60	11.5	53.6	29.6	.2	4.6
1961	11.2	53.4	29.7	.9	4.7
1970—June	10.2	52.5	30.5	.9	5.9
Sept.	10.1	52.5	30.6	.8	6.0
Dec.	9.9	52.9	30.6	.7	5.9
1971—Mar.	10.7	50.4	32.0	.8	6.1

n.a. Not available.
NOTE.—Data for years 1947 through 1961 reflect estimates derived from previous surveys of deposit ownership distribution, which measured ownership distribution on a single day in late January of each year. In contrast, data for 1970 are estimates of the daily average for the month. Before 1957 foreign deposits and all deposits of bank trust departments were reported as part of "all other." In 1970, deposits of "own" trust departments are in all other; deposits of other banks' trust departments are in financial business. The earlier surveys showed a separate category for farm accounts. These are not separated out in 1970, and in this table the farm accounts have been combined with nonfinancial business in the earlier years.

months. While seasonal movements and the volatility of 1-day figures may account for part of the observed differences, it seems likely that some significant change did take place from 1961 to the present. Some of the observed shifts in ownership distribution between 1961 and the present continue trends observed in earlier years. Thus, the share of total IPC demand deposits held by nonfinancial business has been declining at least since the late 1940's, whereas the share held by consumers has been rising over this period.

SHORT-TERM CHANGES IN DEPOSIT OWNERSHIP

The Survey estimates indicate that the volume of balances held by each depositor category changed perceptibly during the period June 1970 to April 1971 and that these shifts resulted in statistically significant changes in the percentage distribution of deposits among ownership categories. (For an evaluation of the statistical properties of the changes, see the Technical Appendix.) A longer run of the series will be required to separate out the seasonal component of these movements in deposit ownership.

As indicated in Table 5, total IPC demand deposits as measured in the Survey increased markedly in the third and fourth quarters of last year and then dropped during the first quarter of this year. Only nonfinancial business deposits showed the same general pattern as the quarterly variations in the total. Balances of all four domestic depositor groups increased at all commercial banks during the third and fourth quarters, but during the first quarter of this year, while balances of nonfinancial businesses declined sharply, balances of financial businesses, consumers, and all other domestic depositors increased further. Foreign deposit balances had a pattern the reverse of that of the total, declining in the third and fourth quarters and increasing in the first quarter. Although seasonal patterns of change in sector holdings as measured in the Survey are not yet known, it seems likely that the substantial decline in nonfinancial business balances during the first quarter of this year in part reflects seasonal influences, since business borrowing of banks tends to decline markedly early in the year. But given the magnitude of the decline, it also appears quite likely that nonfinancial business deposits would show a decline after seasonal adjustment.

As a cumulative result of these quarterly variations, deposit balances of all four domestic depositor groups show increases for the entire period that range from a high of 9.3 per cent for the consumer category to a low of 1.7 per cent for the nonfinancial business category. Foreign deposit balances

TABLE 5

QUARTERLY CHANGES IN THE PERCENTAGE OF IPC DEMAND DEPOSITS AT SELECTED GROUPS OF BANKS, BY OWNERSHIP CATEGORY

June 1970–March 1971

Category	All commercial banks				Weekly reporting banks				Other commercial banks			
	1970		1971	Entire period	1970		1971	Entire period	1970		1971	Entire period
	Q3	Q4	Q1		Q3	Q4	Q1		Q3	Q4	Q1	
Financial business	2.3	1.7	5.2	9.5	4.3	.9	4.1	9.5	−4.4	4.6	9.4	10.7
Nonfinancial business	2.6	5.3	−7.2	.3	1.6	4.3	−6.7	−1.1	4.2	6.9	−8.0	2.7
Consumer	3.0	4.2	2.1	9.6	.8	10.1	2.6	13.9	4.6	.1	1.7	6.1
Foreign	−3.8	−6.3	7.9	−2.7	−2.6	−7.0	6.4	−3.6	−16.7	3.4	25.4	−2.9
All other	4.4	2.5	2.0	9.2	5.1	1.4	3.0	9.8	3.6	3.8	.8	8.3
Total	2.8	4.3	−2.5	4.6	2.0	4.8	−2.3	4.3	3.8	3.8	−2.6	4.9

show a net decline of 2.2 per cent for the 10-month period.

The patterns of quarterly change in ownership balances at weekly reporting banks and at all other commercial banks generally conform to those displayed by the totals for all commercial banks (Table 5). With but one exception balances of financial businesses, consumers, and all other domestic depositors increased in all three quarters at both groups of banks. Quarterly changes in nonfinancial business balances and foreign balances at weekly reporting banks and other banks also generally matched the pattern established for all commercial banks—that is, nonfinancial business balances increased in both the third and fourth quarters of last year and then declined in the first quarter of this year, whereas foreign deposit balances declined over the second half of last year and then increased during the first quarter of this year. The cumulative effect of these quarterly variations at weekly reporting banks was to substantially raise balances of financial businesses, consumers, and all other depositors and to slightly reduce balances of nonfinancial businesses and foreigners. At all other commercial banks, balances of all domestic depositor groups show an increase for the entire period and foreign balances display a slight decline.

The pattern of deposit ownership developments for the early part of 1971 was altered to some extent by developments in April,

TABLE 6

QUARTERLY CHANGES IN THE PERCENTAGE OF TOTAL IPC DEMAND DEPOSITS HELD BY EACH OWNERSHIP CATEGORY

June 1970–March 1971

Category	All commercial banks				Weekly reporting banks				Other commercial banks			
	1970		1971	Entire period	1970		1971	Entire period	1970		1971	Entire period
	Q3	Q4	Q1		Q3	Q4	Q1		Q3	Q4	Q1	
Financial business	−.1	−.2	.8	.5	.3	−.5	.8	.1	−.4	....	.4	.3
Nonfinancial business	....	.4	−2.5	−2.1	−.2	−.3	−2.4	−2.8	.2	1.4	−2.9	−1.0
Consumer	.1	....	1.4	1.5	−.3	1.2	1.2	2.1	.3	−1.5	1.5	.5
Foreign	−.1	−.1	.1	−.1	−.1	−.1	.1	−.1	....	....	....	....
All other	.1	−.1	.2	.3	.2	−.2	.3	.3	....	....	.3	.2

however, as nonfinancial business balances rose about $1 billion for the month while holdings by financial businesses, consumers, and all other domestic depositors showed further increases of $600 million, $2.0 billion, and $200 million, respectively, and foreign deposits remained essentially unchanged. With the sharp April advance, it now appears that nonfinancial business balances have risen somewhat more strongly since June of last year. This increase, however, remains well below the gains in financial business and consumer balances, whether the changes compared are measured in absolute or percentage terms.

The quarterly changes in balances held by the various ownership groups reviewed above resulted in some shifts in the percentage distribution of total IPC deposits among owner groups (Table 6). At all commercial banks, the percentage distribution of total IPC deposits remained essentially stable during the second half of 1970, but then shifted noticeably in the first quarter of this year, as the relative shares held by the financial business and consumer categories rose appreciably and the share of the total held by nonfinancial business declined. The relative share of total IPC deposits held by depositors in the all other category rose over the 10-month period, whereas that held by foreigners declined slightly.

Developments in relative ownership distribution at weekly reporting banks and at other commercial banks differed to some degree from those recorded at all commercial banks. Quarter-to-quarter changes in the percentage of total IPC demand deposits held by each ownership group at these two groups of banks appear to have been slightly larger—especially in the latter half of last year—than at all commercial

TABLE 7

DEPOSIT OWNERSHIP BALANCES

In millions of dollars unless otherwise indicated

Ownership category and bank group	1970 June	1970 Sept.	1970 Dec.	1971 Mar.
Financial business:				
All commercial banks	16,648	17,029	17,315	18,222
Weekly reporting banks—				
Amount	12,835	13,382	13,502	14,052
Per cent of total	77.1	78.6	78.0	77.1
Nonfinancial business:				
All commercial banks	85,808	88,050	92,687	86,027
Weekly reporting banks—				
Amount	52,980	53,850	56,138	52,401
Per cent of total	61.7	61.2	60.6	60.9
Consumers:				
All commercial banks	49,888	51,392	53,563	54,700
Weekly reporting banks—				
Amount	20,976	21,151	23,280	23,889
Per cent of total	42.0	41.2	43.5	43.7
Foreign:				
All commercial banks	1,425	1,371	1,285	1,387
Weekly reporting banks—				
Amount	1,306	1,272	1,183	1,259
Per cent of total	91.6	92.8	92.1	90.8
All other:				
All commercial banks	9,595	10,018	10,271	10,473
Weekly reporting banks—				
Amount	5,208	5,472	5,551	5,716
Per cent of total	54.3	54.6	54.0	54.6
All categories:				
All commercial banks	163,364	167,860	175,122	170,810
Weekly reporting banks—				
Amount	93,306	95,127	99,653	97,317
Per cent of total	57.1	56.7	56.9	57.0

banks. In addition, in some instances the pattern of quarterly changes in relative ownership distribution also differed. For the entire period, however, the patterns of change in ownership distribution at both groups of banks appear to have been generally similar to those at all commercial banks—financial business, consumer, and all other domestic depositors increased their share of total IPC balances at both groups of banks while the shares held by nonfinancial business declined.

Although there are a number of differences in the relative size of growth rates and in quarterly patterns of change in the various deposit ownership categories at all commercial banks and weekly reporting banks, the monthly data for weekly reporting banks appear to provide a good indication of the course of deposit ownership developments at all commercial banks. It will be noted in Table 5, for example, that the direction of change in each owner category at weekly reporting banks accurately indicated the direction of change at all commercial banks in the three quarters for which data were collected. As previously noted, the size of the differences in percentage change between these two data series was quite large in some cases, so that the weekly reporting bank data do not serve as a precise gauge of the universe. More experience with the data should provide some insight on the extent to which this divergence may be due to differences in the seasonal patterns of deposit developments at the two groups of banks.

A fairly close correspondence between weekly reporting bank data and all commercial bank data is not surprising, of course, since balances at weekly reporting banks account for a large share of the total of balances maintained at all commercial banks. As may be seen in Table 7, deposits held by financial businesses at weekly reporting banks accounted for more than three-fourths of all such balances in the country in the final month of all four quarters. Nonfinancial business deposits at weekly reporting banks accounted for about three-fifths of all balances at commercial banks, foreign deposit balances more than nine-tenths, and all other deposits more than one-half. The proportion of consumer balances held at weekly reporting banks, on the other hand, is only a little more than two-fifths of all such balances in the United States. These weekly reporting bank percentage shares of total balances in the various categories appear to fluctuate within fairly narrow ranges.

SURVEY DATA COMPARED WITH MONEY STOCK AND FLOW OF FUNDS ESTIMATES

With demand deposits making up about four-fifths of the total money stock—currency is the remaining one-fifth—demand deposit ownership data can provide important insight into the question of who owns the U.S. money stock and how money stock ownership changes over time. However, the deposits covered in the Survey differ from the demand deposit component of the money stock in a number of ways. The money stock includes several other types of demand deposits in addition to IPC demand deposits. Moreover, the Survey IPC demand deposit data are on a gross basis—that is, before deduction of bank float—whereas the money stock demand deposit component is net of bank float.

Lines 1 through 10 of the first (total) column of Table 8 illustrate the relationship with the money stock measure for December of last year. To approximate the demand deposit component of the money stock (line 8), it is necessary to add to gross IPC demand deposits as measured in the Survey (line 1) demand deposits that are not part of the IPC total—the demand deposits of

TABLE 8

RECONCILIATION BETWEEN SURVEY DATA AND SELECTED FINANCIAL SERIES, DECEMBER 1970

In billions of dollars without seasonal adjustment

Line	Item	Total	Holder sector: Financial business	Non-financial business	Consumer and other domestic depositors	Total foreign accounts	State and local govts.
1	Total IPC demand deposits, gross, as measured in ownership survey	175.1	17.3	92.7	63.8	1.3	......
2	State and local government deposits	14.5	......	....	......	......	14.5
3	Demand deposits of foreign official institutions,[1] international institutions, and foreign commercial banks	3.7	......	....	......	3.7	......
4	Certified and officers' checks*	9.4	5.2	2.2	......	......	2.0
5	Sum of (1) through (4)	202.7	22.5	94.9	63.8	5.0	16.5
6	*Bank float*[2]*	−31.8	−4.6	−25.8	......	......	−2.0
7	Statistical discrepancy	.2	......	.2	......	......	......
8	Private demand deposit component of money stock	171.1	17.9	69.3	63.8	5.0	14.5
9	Currency holdings*	50.0	......	......	50.0	......	......
10	Money stock (as published)	221.1	17.9	69.3	113.8	5.0	14.5
11	Demand deposit balances held by Edge Act corporations and agencies of foreign banks in U.S.[3]	1.2	1.2	....	......	......	......
12	Mail float[4]	−21.4	−2.3	−17.1	......	......	−2.0
13	Money holdings on holder-record basis—average for month	200.9	16.8	52.2	113.8	5.0	12.5
14	Money holdings in flow of funds accounts on holder-record basis—end-of-month balances	[5]204.3	16.8	49.6	[6]120.3	[6]5.0	12.5
15	(14) less (13)	3.4	......	2.6	−6.5	......	......

[1] Figures include deposit balances maintained at Federal Reserve Banks.

[2] Bank float includes cash items in process of collection as indicated on bank balance sheets plus Federal Reserve float. The figure has also been adjusted for the volume of cash items generated by Edge Act corporations and agencies of foreign banks in the United States.

[3] These deposits are included in "due to commercial banks" in banking statistics and are excluded from money stock totals.

[4] Checks in transit that have been deducted from senders' records but not yet added to receivers' records.

[5] Reflects revision in flow of funds figures on foreign balances not yet incorporated in flow of funds BULLETIN tables.

[6] Equal to sum of lines 8 and 10 in total column (assets) of flow o funds table on p. A71.2 of this BULLETIN.

* No data available to guide distribution of these items. See text for explanation of basis used.

State and local governments (line 2), foreign commercial banks, foreign official institutions, and international institutions (combined in line 3), and certified and officers' checks (line 4)—and to deduct bank float; that is, the sum of cash items in process of collection as shown on bank books and Federal Reserve float (line 6). The figure thus obtained differs slightly from the published figure for the deposit component of the money stock (line 8) because the amounts shown for each item are statistically independent of the published money stock figures.[3] The difference is indicated in line 7. The addition of the currency component of the money stock (line 9) completes the reconciliation to the published money stock figure (line 10).

[3] The IPC figure is based on Survey sample data. The data for other deposit categories were estimated using weekly reporting bank and semiannual call report data. The figure for bank float is also partially estimated in that nonmember banks do not report their cash items in process of collection on a daily-average basis.

The Board's flow of funds accounts present estimates of private sector holdings of the money stock (see pp. A 71 and A 71.2 of this BULLETIN). The sum of these private sector holdings differs from the money stock measure mainly in that (1) the former is net of mail float and the latter gross, and (2) the former measures balances as of single points in time (for example, December 31) and the latter is on a daily-average basis. The remaining lines in column 1 of Table 8 provide the additional items required to complete the reconciliation with the flow of funds total of private sector holdings. The difference due to the flow of funds estimates being net of mail float—checks deducted from deposit owners' records but not yet entered on bank records—is shown on line 12. Line 11 reflects a difference in treatment, between the flow of funds and money stock series, of balances held by Edge Act corporations (subsidiaries of U.S. banks engaged mainly in international activities) and agencies of foreign banks located in the United States. Line 13 shows an estimate on a daily-average basis of total sector holdings of the money stock; line 14 shows the sum of flow of funds estimates of private sector holdings of the money stock on a holder-record basis and measured as of the last day of the month. The difference in the estimates that is due to differences in timing between the daily average of balances for December and the balance on the last day of the month is shown on line 15.

The remaining columns of Table 8 present estimates of the sector allocation of the various totals of deposits and money stock just discussed, starting with the Survey estimates of sector distribution of gross IPC demand deposits (line 1), going to a derived estimate of the sector distribution of the published money stock (line 10), and ending with the flow of funds sector estimates (line 14). The sector distributions of the items needed for the derivations and reconciliations in these columns are on a weaker statistical basis than is the case for the total column. Thus, there is little firm information available that can serve as a reliable guide in determining how bank and mail float, currency, and certified and officers' checks are distributed among owner categories. In this circumstance, the principle utilized in the table for the sector distribution for such items was to bring the sector ownership estimates based on the Survey as close as possible to the flow of funds sector estimates—derived mainly from estimates of holder balance sheets—while at the same time making the allocation reasonably consistent with the few known facts about the distribution of these items. In this way, the statistical differences that remain highlight the minimum statistical problems in the flow of funds estimates.

In Table 8, the major items distributed on the basis of these criteria are marked by asterisks. In distributing certified and officers' checks (line 4), it was assumed that such checks are generated mainly in money market transactions and large payments among businesses and governments. For bank float (line 6), it was assumed that, because business and government deposits have much higher turnover rates than personal deposits, the volume of bank float attributable to personal deposits was sufficiently small to be omitted. An opposite assumption was made for currency holdings, it being assumed that business holdings are negligible.[4]

On the basis of these adjustments, rough measures of the ownership distribution of the published average money stock estimates are obtained (line 10). For the remaining items of reconciliation to the flow of funds sector estimates, deposit balances held by Edge Act corporations and agencies of foreign banks in the United States (line 11) were assigned to financial businesses, and the sector distribution of mail float (line 12) was made on the same basis as that used for distributing bank float.

The method of allocation described above resulted in estimates for financial business, foreign, and State and local government categories on line 13 equal to those currently in flow of funds accounts for December 31. The statistical differences appear only in the nonfinancial business and consumer sectors.

The estimates derived from the ownership

[4] The principal business holding of currency presumably is in retail trade, and on an assumption that retail stores have on hand currency amounting to 1 day's cash sales, an estimate of holdings for retail trade for December 1970 comes to about $1 billion. This was a small part of the $50 billion of currency then outstanding.

A substantial part of currency in circulation is probably overseas and therefore part of foreign holdings of the U.S. money stock. No data on such holdings exist and they are not included in the balance of payments data on international positions that are the basis for flow of funds foreign holdings. In the absence of factual information, the total of currency holdings is attributed residually to the consumer sector.

survey data and the assumed sector distribution of the adjustment items indicate larger balances for business and smaller holdings for consumers than are now in the flow of funds accounts. There is some possibility that timing is a source of the difference, resulting perhaps from large wage and dividend payments near the end of the month. The total private wage bill in December after withholding tax deductions was over $35 billion, so there is scope in timing for the disparity of $4 billion that appears in the table. However, the distribution of float and currency made above was designed to bring the estimates close together and any reasonable alternative allocation would result in even wider disparity. Thus it seems likely from these early results that the flow of funds distribution of ownership should be shifted, increasing the estimated money holdings of businesses and reducing the holdings of consumers. This will be worked out when more experience is gained with Survey data.

TECHNICAL APPENDIX

DESIGN OF THE SURVEY

The design for the Demand Deposit Ownership Survey called for a sample of 413 commercial banks. Of these banks, 225 were chosen from banks that had IPC demand deposits in excess of $100 million in mid-1968. All banks with deposits over $1 billion were included as were about 43 per cent of the banks in the $100 million to $1 billion deposit size range. These banks were asked to report on a monthly basis. The remaining 188 banks in the sample were chosen on a stratified random basis from all other insured commercial banks. These smaller banks were asked to submit reports for the last month of each calendar quarter. From the sample so structured, it is possible to develop estimates of IPC demand deposit ownership for each month of the year at weekly reporting banks and for the last month of each quarter at all commercial banks.

Reporting banks were asked to classify their IPC accounts into five categories: financial business, nonfinancial business, consumer, foreign, and all other domestic depositors. The financial business category includes such businesses as mutual savings banks, insurance companies, securities and commodity brokers and dealers, finance companies, and holding and investment companies;[1] deposits maintained at the reporting bank by the trust departments of other banks are also reported in this category. The nonfinancial business category covers such industries as manufacturing, mining, transportation, trade, farming, real estate, the professions (such as medicine or law), and so forth. The consumer category includes all individual and family accounts and all personal trusts not under the control of the trust departments of banks. The foreign category encompasses all accounts classified as IPC deposits that are owned by business firms or persons domiciled outside the United States and its possessions.[2] The all other category includes such depositors as nonprofit membership organizations and nonprofit religious, educational, and scientific organizations; accounts maintained by the trust departments of the reporting banks at their own banks are also placed in this category.

With respect to the reporting coverage of accounts within the sample banks, each bank was offered the option of reporting on the ownership status either for a sample of its IPC accounts or for all of its IPC accounts, whichever was more convenient. (About 80 per cent of the large sample banks and 70 per cent of the smaller ones chose to report on a full enumeration basis.)

In those cases in which banks decided to report on a sample basis, they were requested to identify and include all accounts with large balances—large accounts being defined either as those with balances exceeding $20,000 or the top 2 per cent of the bank's accounts with the largest balances. In addition, those reporting banks maintaining

[1] Demand deposits held by banks are not included in IPC deposits and are not covered in this Survey.

[2] Not all foreign deposits are included in IPC deposits and thus not all are covered in this Survey. Moreover, because banks experience difficulties in identifying foreign accounts in some instances, the estimate of foreign balances derived from this Survey may understate the total volume of foreign IPC balances in the United States.

special ledgers of accounts that are homogeneous or nearly so were asked to supply information on these accounts. Finally, the banks reporting on a sample basis were asked to select a random 1 per cent sample of accounts from all remaining accounts not reported as large accounts or special ledger accounts. Thus in the case in which banks report on a sample of their accounts, this sample includes about 3 per cent of its IPC accounts. Of course, since all large accounts are included in the sample, the relative proportion of total IPC balances covered by this sample is substantially higher.

The Survey has been designed so that the estimates reflect an average of daily balances maintained during the reporting month. Banks were given the option of reporting the ownership classification of accounts on a daily basis (so that a true daily average for the month is reported) or of reporting as of each Wednesday of the month (which statistical analysis had indicated would yield an adequate estimate of the daily average). However, the smaller quarterly reporting banks (and some of the large monthly reporting banks with special reporting problems) were given the additional option of reporting as of the second and third Wednesdays of the month. (Of the large reporting banks, approximately 45 per cent chose to report on a daily-average basis, about 20 per cent on an each-Wednesday basis, and the remainder on a second- and third-Wednesday basis. Of smaller reporters, nearly 80 per cent selected the second- and third-Wednesday basis and only 20 per cent chose the daily-average basis.)

When a reporting bank submits information on a sample of its accounts, these data are blown up to reach ownership estimates for all accounts maintained at the bank. And in the case of data received from banks reporting on either an each-Wednesday basis or on a second- and third-Wednesday basis, the balances for these days are averaged to obtain proxy measures of balances maintained on average during each day of the month. All individual bank estimates are then used to obtain estimates for all weekly reporting banks and all commercial banks.

STATISTICAL RELIABILITY OF THE ESTIMATES

An indication of the statistical properties of the estimates of deposit ownership at all commercial banks produced by the Survey can be obtained by referring to Appendix Table 1. The figures presented in the various cells of the table were calculated by doubling the standard errors of estimate for each ownership estimate, dividing this value by the value of the estimate itself, and expressing

APPENDIX TABLE 1

MEASURES OF VARIATION [1] FOR DEMAND DEPOSIT OWNERSHIP SURVEY ESTIMATES

In per cent

Category	All commercial banks				Quarterly changes		
	Outstandings, 1970–71				1970		1971
	June	Sept.	Dec.	Mar.	III	IV	I
Financial business	7.1	5.5	5.4	5.6	75.0	*	45.2
Nonfinancial business	1.7	1.9	1.9	2.0	40.0	19.6	13.6
Consumer	3.8	3.6	3.5	2.7	46.2	46.0	56.2
Foreign	8.7	8.4	9.4	8.1	72.2	20.4	69.4
All other	13.8	8.9	10.0	10.1	*	*	*
Total	1.3	.7	.7	1.0	24.4	8.2	23.6
	Weekly reporting banks						
Financial business	5.0	4.5	3.3	3.9	22.8	*	59.8
Nonfinancial business	2.2	1.3	.7	1.2	74.6	22.1	8.0
Consumer	4.7	3.6	2.3	2.7	*	16.2	50.6
Foreign	6.9	7.1	7.7	7.8	19.8	15.6	18.8
All other	7.1	6.3	2.9	5.0	46.0	*	*
Total	.9	.5	.3	.4	26.0	9.6	9.8

[1] Data in the cells of the table have been obtained by doubling the standard errors of estimate (or the standard error of the estimated change), dividing this figure by the estimate of balances outstanding (or by the estimated change in balances), and expressing the resulting figure in percentage terms.

* Indicates a figure greater than 100 per cent.

the resulting figure in percentage terms. As may be seen, the relative sampling variations of the estimates of outstanding balances at all commercial banks (upper left-hand portion of the table) are generally satisfactory. This is particularly the case for the nonfinancial business and consumer estimates where the measures of variation were quite small in all four quarter-ending months—less than 4 per cent in all instances. The measures of variation for the financial business estimates are somewhat higher, but they all indicate the strong (95 per cent) probability that a range plus or minus 7 per cent on either side of each estimate would include the actual volume of balances held by this category of owners. The measures of variation in the monthly estimates for the foreign and all other categories are somewhat larger but with only one exception they suggest that the true values for these balances lie within plus or minus 10 per cent of the estimates.

The measures of variation for the quarter-to-quarter changes in ownership balances at all commercial banks (upper right-hand section of the table) are also quite encouraging. They suggest that all the estimated quarterly changes in nonfinancial business, consumer, and foreign balances were statistically significant—that is to say, two standard errors of the changes were smaller than the estimate of change itself. A similar statement can also be made about two out of the three quarterly changes in financial business balances. It appears, however, that the estimated changes in balances held by depositors in the all other category may be attributable to sampling variation.

A similar picture of statistical reliability is presented by the measures of variation for the estimates of balances held by the various owner groups at weekly reporting banks [3] in each quarter-ending month and for the quarterly changes in these estimates (bottom section of Table 1). The measures of variation indicate that the 95 per cent confidence range for the estimates of balances held by financial businesses, nonfinancial businesses, and consumers is 5 per cent or less on either side of the estimates in all 4 months. The range for the other two owner categories, while somewhat higher, is less than plus or minus 10 per cent of the estimate. The measures of variation for the estimated quarterly changes in ownership balances also suggest that the Survey is performing satisfactorily. All measured changes in nonfinancial business and foreign balances appear statistically significant, as do two out of three of the changes in consumer and financial business balances. □

[3] In order to simplify the table and to shorten discussion, data reflecting the measures of variation for estimates of ownership balances measured in months other than those shown in the table and the coefficients of variation for month-to-month changes in balances are not covered in the Appendix. These data will be made available upon request.

Bank Rates on Business Loans—Revised Series

The Federal Reserve Quarterly Survey of Interest Rates Charged by Banks on Business Loans has been revised beginning with the February 1971 survey. The revision incorporates a number of technical changes in coverage, in sampling, and in methods of calculating average interest rates. Although the changes have resulted in some discontinuities in the series, the basic structure for collecting information is unchanged for the most part.

The survey data on short-term loans on the revised basis will be published regularly, as in the past, in both the BULLETIN and the Board's E.2 statistical release, which will also carry survey data for rates on revolving credit and long-term loans, which had not previously been published. Back data for the added series, as well as the previously published data on short-term loans, for the period 1967–70 are provided in the table on pages 476 and 477.

NATURE OF CHANGES

The most important aspect of the revised series is the elimination of accounts receivable loans. A recent study of the technical aspects of the survey indicated a number of problems of measuring rates on accounts receivable loans, which made it advisable to eliminate such loans from the survey: For one thing, the reporting of special fees and flat charges that often are collected on accounts receivable loans to cover the high cost of administering such loans varied among banks in ways that made difficult the calculation of comparable effective rates. For example, in addition to a stated interest rate charged on these loans, approximately two-fifths of the reporting banks imposed (1) a flat charge, or (2) a fee that varied with the line of credit available, or (3) a percentage fee applied to the line of credit. On the other hand, some banks excluded such charges altogether from reported interest rates on this category of loans and a few banks omitted reporting of accounts receivable loans entirely. Such data problems probably caused a significant understatement of the rates on these loans as they entered the survey calculations.

A second problem is that with certain types of fee arrangements, the effective rate of interest on accounts receivable loans varied with the maturity and daily-average size of the loans made under the line of credit. Because of the nature of this survey (which reflects terms and conditions at the time the loans are made) and of accounts receivable loans (for which the average maturity, loan size, and outstanding balance vary from day to day and cannot readily be measured), there is no practical way to determine the effective interest rate accurately.

A third problem of measuring interest rates on accounts receivable loans is the practice of some banks of requiring borrowers to make all repayments into hypothecated deposits that are credited to the borrower's loan account at fixed intervals. This practice increases the effective interest rate by an amount that cannot be measured with-

NOTE.—This article was prepared by Mary F. Weaver and Edward R. Fry of the Banking Section of the Board's Division of Research and Statistics.

out adding unduly to the complexity of the survey.

A fourth problem was associated with the rapid rate of turnover of accounts receivable loans. Some new loans, for example, are made to individual customers for as little as one day. Since the survey calls for reporting of all new loans made during a specified period, the rapid turnover of these loans, which carry relatively high interest rates, gives them undue weight and causes an upward bias in average interest rates derived from the survey.

In view of all these measurement problems, it was felt that rates on accounts receivable loans could not be accurately measured in the survey and that if these loans were excluded, the survey would provide a more accurate measure of interest rates on other business loans. It should be noted, however, that the survey, excluding these loans, does not cover all business loans and that the loans excluded probably are higher-cost loans on the average than the loans covered. Thus, to the extent that there are systematic shifts, in periods of relatively different tightness of credit, between account receivable loans and other business loans, the results of the survey must be interpreted with care.

An important result of the changes in the survey has been to reduce the reporting burden on respondent banks. The exclusion of accounts receivable loans contributed to this as did a shortening of the period to be covered. For most banks the sample period was shortened from the first 15 days in the survey month to the first seven business days.

Refinements were also made in procedures for calculating the interest rates used in arriving at the survey averages. Formerly, interest rates for short-term discounted loans were calculated on an assumed maturity of 90 days. In conjunction with the February 1971 survey, the 12 Reserve Banks surveyed the maturities of all discounted short-term loans made in the sample period. On the basis of this information, new average maturities were adopted, for this and future surveys, with the assumed maturity shortened to 68 days for the 35 reporting centers as a whole. In addition, the formula to calculate effective interest rates was modified to reflect annual compounding instead of the quarterly compounding previously used in the survey. Other changes in the formula used were minor.

With the elimination of accounts receivable loans and the shortening of the sample period, weights used for calculating average interest rates have been changed. A preliminary revision of these weights was derived from the size and area distributions of loans reported in the February survey. These preliminary weights will be used initially in the first three surveys this year. When data for all four surveys in 1971 are available, a further revision of weights will be made and data for the 1971 surveys will be revised on the basis of these new weights. The weights as revised will be used for the next 4 years, after which the weighting system will be reviewed again.

EFFECTS OF REVISIONS

For some, but not all, of the changes embodied in the revision, it is possible to measure the impact of the revision on the published series. The degree of reduction in number and dollar volume of loans caused by shortening the sample period cannot be ascertained from the February survey. Nor can one determine the over-all effects of the revision on changes in short-term rates in the period between the November 1970 and February 1971 surveys. However, it is possible to determine the effects on rates of three of the changes made in the February survey—the exclusion of accounts receivable loans, the shift to annual compounding in

TABLE 1

EFFECTS OF SURVEY REVISIONS ON INTEREST RATES, BY TYPE OF LOAN FEBRUARY 1971

Per cent per annum

Item	Short-term						Revolving credit						Long-term					
	All sizes	Size of loan (in thousands of dollars)					All sizes	Size of loan (in thousands of dollars					All sizes	Size of loan (in thousands of dollars)				
		1-9	10-99	100-499	500-999	1,000 and over		1-9	10-99	100-499	500-999	1,000 and over		1-9	10-99	100-499	500-999	1,000 and over
All centers																		
Average rate, revised survey	6.58	8.05	7.49	6.91	6.64	6.35	6.34	7.51	7.06	6.70	6.43	6.30	6.81	8.42	7.58	7.32	6.91	6.64
Average rate on unrevised basis [1]	6.75	8.12	7.65	7.02	6.68	6.41	6.47	7.98	7.54	6.98	6.54	6.34	6.90	8.38	7.55	7.37	6.98	6.76
Difference	-.17	-.07	-.16	-.11	-.04	-.06	-.13	-.47	-.48	-.28	-.11	-.04	-.09	+.04	+.03	-.05	-.07	-.12
Accounted for by:																		
Change in rate calculation for:																		
Exclusion of accounts receivable	-.13	-.14	-.24	-.19	-.11	-.07	-.09	-.33	-.36	-.29	-.16	-.03	......	+.03	-.01	......	......	......
Discounted loans (revised formula)	+.04	+.09	+.06	+.05	+.05	+.03	......	......	......	......	......	......	......	+.22	+.04	+.02	......	......
Change in weights	-.08	-.02	+.02	+.03	+.02	-.02	-.04	-.14	-.12	+.01	+.05	-.01	-.09	-.21	......	-.07	-.07	-.12
New York City																		
Average rate, revised survey	6.26	7.76	7.20	6.57	6.35	6.18	6.25	6.65	6.88	6.54	6.27	6.24	6.81	7.08	6.75	6.80	6.56	6.83
Average rate on unrevised basis [1]	6.27	7.60	7.10	6.50	6.31	6.16	6.26	6.64	6.89	6.54	6.27	6.24	6.81	7.01	6.82	6.78	6.56	6.83
Difference	-.01	+.16	+.10	+.07	+.04	+.02	-.01	+.01	-.01	......	......	......	......	+.07	-.07	+.02	......	......
Accounted for by:																		
Change in rate calculation for:																		
Exclusion of accounts receivable	......	......	......	......	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Discounted loans (revised formula)	+.03	+.16	+.09	+.06	+.04	+.02	......	......	......	......	......	......	......	......	......	......	......	......
Change in weights	-.04	......	+.01	+.01	......	......	-.01	+.01	-.01	......	......	......	......	+.07	-.07	+.02	......	......
Other Northeast																		
Average rate, revised survey	6.80	8.27	7.75	7.11	6.97	6.40	6.57	8.53	7.95	6.56	6.28	6.60	7.09	10.36	7.97	7.62	6.80	6.72
Average rate on unrevised basis [1]	7.18	8.34	8.05	7.36	7.13	6.39	6.80	7.76	7.87	6.93	6.70	6.64	7.00	9.85	8.02	7.55	6.80	6.72
Difference	-.38	-.07	-.30	-.25	-.16	+.01	-.23	+.77	+.08	-.37	-.42	-.04	+.09	+.51	-.05	+.07	......	......
Accounted for by:																		
Change in rate calculation for:																		
Exclusion of accounts receivable	-.24	-.23	-.40	-.34	-.24	-.04	-.16	+.62	+.21	-.37	-.42	-.04	......	......	......	......	......	......
Discounted loans (revised formula)	+.07	+.15	+.11	+.09	+.08	+.05	......	......	......	......	......	......	+.03	+.60	+.10	+.09	......	......
Change in weights	-.21	+.01	-.01	......	......	......	-.07	+.15	-.13	......	......	......	+.06	-.09	-.15	-.02	......	......
North Central																		
Average rate, revised survey	6.65	7.76	7.28	6.82	6.57	6.54	6.48	6.53	6.67	6.49	6.57	6.46	6.92	7.56	7.39	7.28	7.52	6.77
Average rate on unrevised basis [1]	6.83	7.77	7.40	7.05	6.65	6.70	6.59	6.65	6.90	6.81	6.59	6.56	6.96	7.61	7.41	7.29	7.52	6.77
Difference	-.18	-.01	-.12	-.23	-.08	-.16	-.11	-.12	-.23	-.32	-.02	-.10	-.04	-.05	-.02	-.01	......	......
Accounted for by:																		
Change in rate calculation for:																		
Exclusion of accounts receivable	-.20	-.09	-.16	-.29	-.13	-.19	-.12	-.12	-.24	-.34	-.02	-.10	......	......	-.07	......	......	......
Discounted loans (revised formula)	+.04	+.08	+.04	+.05	+.05	+.03	......	......	......	......	......	......	......	+.01	+.01	......	......	......
Change in weights	-.02	......	......	+.01	......	......	+.01	......	+.01	+.02	......	......	-.04	-.06	+.04	-.01	......	......

Southeast																		
Average rate, revised survey	6.88	8.23	7.72	7.00	6.69	6.55	6.62	8.00	7.91	7.22	6.28	6.12	7.22	8.37	7.62	7.59	6.50	7.00
Average rate on unrevised basis [1]	7.04	8.20	7.73	7.05	6.66	6.51	6.89	8.01	8.97	8.19	6.28	6.12	7.22	8.10	7.61	7.44	6.50	7.00
Difference	−.16	+.03	−.01	−.05	+.03	+.04	−.27	−.01	−1.06	−.97	......	......	......	+.27	+.01	+.15	......	......
Accounted for by:																		
Change in rate calculation for:																		
Exclusion of accounts receivable	−.05	−.05	−.08	−.11	−.02	......	−.59	−.03	−.58	−1.06	......	......	......	......	......	......	......	......
Discounted loans (revised formula)	+.06	+.08	+.08	+.07	+.05	+.04	......	......	......	......	......	......	......	+.24	......	......	......	......
Change in weights	−.17	......	−.01	−.01	......	......	+.32	+.02	−.48	+.09	......	......	......	+.03	+.01	+.15	......	......
Southwest																		
Average rate, revised survey	6.59	7.83	7.22	6.82	6.63	6.25	6.74	7.26	7.03	7.63	6.65	6.47	6.99	6.90	7.84	8.06	6.82	6.71
Average rate on unrevised basis [1]	6.72	7.89	7.38	6.83	6.64	6.26	6.90	7.54	7.30	7.59	6.87	6.47	7.04	6.96	7.66	7.90	6.84	6.71
Difference	−.13	−.06	−.16	−.01	−.01	−.01	−.16	−.28	−.27	+.04	−.22	......	−.05	.06	+.18	+.16	−.02	......
Accounted for by:																		
Change in rate calculation for:																		
Exclusion of accounts receivable	−.07	−.09	−.17	−.03	−.04	−.02	−.08	−.27	−.21	+.04	−.22	......	......	......	+.11	+.16	−.02	......
Discounted loans (revised formula)	+.02	+.03	+.01	+.02	+.03	+.01	......	......	......	......	......	......	......	......	......	......	......	......
Change in weights	−.08	......	......	......	......	......	−.08	−.01	−.06	......	......	......	−.05	−.06	+.07	......	......	......
West Coast																		
Average rate, revised survey	6.63	8.38	7.77	7.16	6.77	6.32	6.31	8.24	7.15	6.66	6.41	6.25	6.46	7.63	7.21	7.41	6.81	6.32
Average rate on unrevised basis [1]	6.81	8.61	8.04	7.31	6.91	6.32	6.49	8.77	7.69	7.06	6.59	6.28	6.57	7.61	7.19	7.30	6.81	6.32
Difference	−.18	−.23	.27	−.15	−.14	......	−.18	−.53	−.54	−.40	−.18	−.03	.11	+.02	+.02	+.11	......	......
Accounted for by:																		
Change in rate calculation for:																		
Exclusion of accounts receivable	−.12	−.21	−.26	−.16	−.14	......	−.10	−.50	−.49	−.37	−.18	−.03	......	+.15	......	......	......	......
Discounted loans (revised formula)	......	......	......	......	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Change in weights	−.06	−.02	−.01	+.01	......	......	−.08	−.03	−.05	.03	......	......	−.11	−.13	+.02	+.11	......	......

[1] The rates on an unrevised basis are those that would be obtained by processing the February survey data according to the procedures used in the previous survey. These averages are not entirely comparable with those published for November and earlier periods because of the exclusion of accounts receivable loans; a new method for calculating interest rates on discounted loans; a change of weights applied to each category of loans; and a reduced loan sample from each reporting bank for which the rate effects cannot be ascertained.

calculations of rates on discounted loans, and the revision of weights for size of loan and geographic areas. For purposes of this comparison, separate data were collected in February on the accounts receivable loans that are excluded in the revised survey, and interest rate computations were made including and excluding such loans. Also, alternative interest rate calculations were made by applying the formula and weights used previously, so that the old series could be compared with the revised series. Table 1 summarizes the measurable effects of the revision on the three types of interest rates covered in the February survey—short-term, revolving credit, and long-term loans.

On short-term loans, as may be noted from Table 1, the average rate derived in the revised survey for the 35 centers as a group was 6.58 per cent, or 0.17 percentage point lower than the average rate of 6.75 per cent that would have resulted in the absence of the three revisions for which the impact can be measured. The amount of the difference varies by region from 0.01 percentage point for banks in New York City to 0.38 percentage point for those in other Northeast centers.

The most important factor reducing the measured average interest rate in most geographic areas was the elimination of accounts receivable loans. This change also accounted for most of the reduction in rates by size of loan. In the February survey, respondents reported separate data on 2,290 short-term accounts receivable loans; these loans accounted for 11 per cent of the total number of loans and for 6 per cent of the total dollar volume reported (Table 2). The smaller proportionate reduction in dollar volume resulting from exclusion of these loans reflects the relatively small average size of accounts receivable loans as compared with other short-term business loans.

Changes in weights reduced weighted average rates for all geographic areas, but effects varied by size-of-loan category. The small rate reduction for New York City reflected entirely the change in weights, as respondent banks in this area had not reported accounts receivable loans in the past. The change from quarterly to annual compounding of interest rates on discounted loans tended to raise average rates for all loan sizes in most geographic areas.

In general, the effects of the various survey changes on interest rates on revolving credit and long-term loans were similar to those for short-term rates, as Table 1 shows.

TABLE 2

EFFECT ON NEW SERIES OF EXCLUDING ACCOUNTS RECEIVABLE LOANS, FEBRUARY 1971

Area	Amount of loans: In thousands of dollars: Including accounts receivable	Amount of loans: In thousands of dollars: Excluding accounts receivable	Amount of loans: Decrease: In thousands of dollars	Amount of loans: Decrease: Per cent	Number: Including accounts receivable	Number: Excluding accounts receivable	Number: Decrease: Actual	Number: Decrease: Per cent
All centers	3,238,664	3,047,996	190,668	5.9	20,205	17,915	2,290	11.3
New York City	798,323	798,323	....	....	1,543	1,543	....	....
Other Northeast	580,177	517,408	62,769	10.8	5,257	4,349	908	17.3
North Central	858,489	788,020	70,469	8.2	4,263	3,870	393	9.2
Southeast	282,603	263,464	19,139	6.8	3,118	2,941	177	5.7
Southwest	398,763	378,551	20,212	5.1	4,113	3,678	435	10.6
West Coast	320,309	302,230	18,079	5.6	1,911	1,534	377	19.7

SURVEY RESULTS

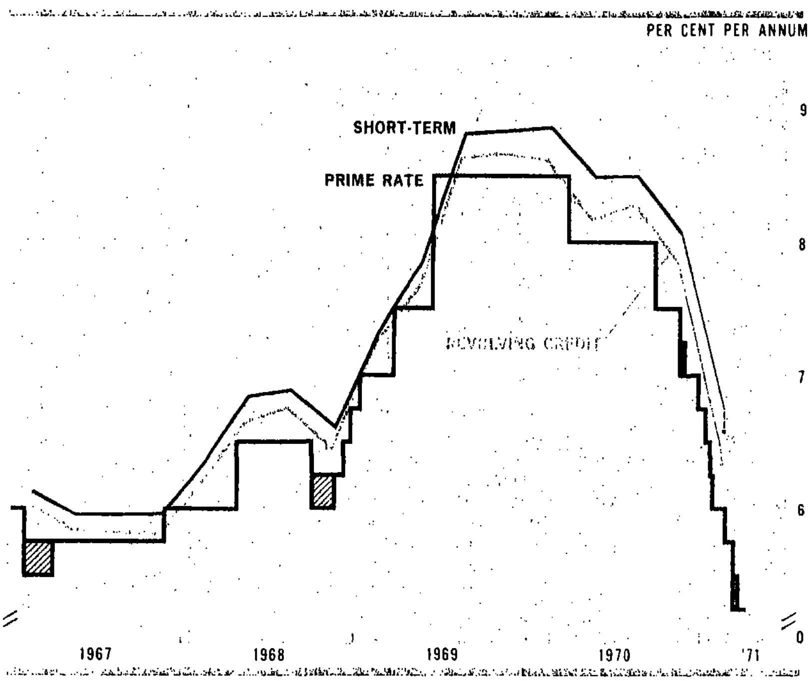
Large banks typically report that they charge the prime rate on short-term loans to their most creditworthy customers and that they charge higher rates, bearing relatively fixed differentials above the prime rate, on loans to customers of lower credit rating. As the chart shows, average rates for the three categories of business loans covered in the survey move fairly closely with the prime rate, although relationships among rates appear to shift with cyclical changes in interest rates.

Over the past 4 years, short-term rates measured in the survey have moved in a band of 32 to 58 basis points above the prime rate. The differential—a maximum of 26 points—was relatively stable during this period compared with the 291-basis-point range over which short-term rates moved. The largest differentials occurred in periods of monetary ease when interest rates were relatively low, as in 1967, late 1970, and early 1971, and the smallest in periods of restraint when rates were high, as in 1969.

In large part, the narrowing of the differential in periods of monetary restraint probably reflects the fact that an increased percentage of the loans made during survey periods are prime rate loans. Contributing to this has been the tendency for credit demands to expand more rapidly at large firms than at smaller ones during business upswings. Another factor tending to narrow the differential in periods of rising rates is the tendency for rates on small loans, which typically are high relative to those on large loans, to advance less rapidly than those on large loans.

In general, average rates on long-term loans have been fairly close to those on short-term loans. This relationship probably reflects the practice of gearing rates on both such maturities to the prime rate. However, major changes in the relationship between

BANK RATES on BUSINESS LOANS



Data for February 1971 as shown in the revised survey are indicated by dots. Point for February on thin line is the unrevised rate as calculated in Table 1.

long- and short-term rates do occur. These tend to show a fairly regular pattern, with rates on term loans rising above those on short-term loans during periods of declining rates, such as in late 1968 and in late 1970 and early 1971, and falling appreciably below short-term rates during the rapid advance of rates in early 1969. These changing relationships are believed to reflect lags in disbursements that often occur under term-loan and revolving-credit contracts, although banks recently are reported to be writing more term-loan contracts that gear the interest charges to the prime rate.

The marked shift from a sizable positive to a negative differential in 1969 resulted from a sharp rise in the term loan rate. At that time several banks reported that they had started to charge premium rates on term loans to some borrowers; in these instances the premium represented the higher cost to the bank of obtaining additional funds in the Euro-dollar market. The differentials between short- and long-term rates show random fluctuations that may reflect irregularities in term-loan rates attributable to relatively small samples of loans.

Average rates on revolving credits have shown an even closer and more consistent relationship to short-term rates than have those on term loans. This is probably attributable in part to the much larger volume of revolving credits reported, which would tend to reduce the impact of any unusual type of loan. On revolving credits, too—owing to the tendency noted above for rates on loans disbursed on older contracts to lag rates charged on new loans—the differential between revolving credit rates and short-term rates tends to show some cyclical variation.

SIZE-OF-LOAN DIFFERENTIALS

The most striking aspect of the size-of-loan data in the survey is the tendency for the differentials between rates on small and large loans to decline in periods of rapid advance in the general level of rates. The decline was particularly large for loans of $1,000–$10,000, as compared with loans of $1 million and over. This may reflect less tendency among banks to gear their charges on smaller loans to the prime rate, with the result that such rates change less frequently than the prime rate. Moreover, there are additional institutional rigidities that influence the rates charged on small loans—including usury law ceilings (which generally apply on loans to unincorporated business only and thus would affect rates on small loans most heavily). In addition there may be public relations considerations. The gradations in spreads for loans in various size categories in each survey show the expected drop as the size of loan increases, and these relationships remain fairly consistent from survey to survey.

GEOGRAPHIC DIFFERENTIALS

As the level of interest rates has continued to advance in recent years, there has been a pronounced diminution of the spreads between rates reported in the survey for New York City banks versus rates at banks in Southwest and West Coast cities. The differential between rates in New York City and the Chicago area remained relatively narrow and showed the least change for any area. Both areas are well supplied with capital and with financial institutions geared to the national money market. Hence the survey is dominated in both areas by banks with heavy concentrations of prime borrowers. The rate differential for New York City versus other Northeast cities tends to be the largest for any district, although in recent surveys the New York versus Southeast differential has increased significantly.

The change in relationship between rates for New York City and the Southeast that appeared in data for the recent surveys is surprising. In 1967, rates in the Southeast exceeded those at New York City banks by as much as 26 basis points whereas in 1969, they were below rates in New York City (the only district where this happened) by as much as 19 basis points. More recently, however, in the surveys for 1970 and 1971, rates in the Southeast have again exceeded those in New York City by widening margins.

APPENDIX TABLE 1

GEOGRAPHIC AREAS AND REPORTING CENTERS FOR REVISED QUARTERLY INTEREST RATE SURVEY

Geographic area	*Reporting center*	*Geographic area*	*Reporting center*
New York City	New York City	Southeast	Baltimore Richmond Washington, D.C. Charlotte Atlanta New Orleans Nashville
Other Northeast	Boston Hartford and Providence Buffalo Nassau County, N.Y. Rochester Newark Philadelphia	Southwest	St. Louis Louisville Memphis Kansas City Oklahoma City and Tulsa Denver Dallas and Fort Worth Houston
North Central	Cleveland Pittsburgh Cincinnati Chicago Detroit Indianapolis Milwaukee Minneapolis and St. Paul	West Coast	San Francisco Los Angeles Seattle Portland

APPENDIX TABLE 2

BANK RATES ON BUSINESS LOANS, QUARTERLY 1967–70

Per cent per annum

Area and year	All sizes				Size of loan (in thousands of dollars)																			
					1–9				10–99				100–499				500–999				1,000 and over			
	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.
	Short-term loans																							
1967																								
All centers	6.13	5.95	5.95	5.96	6.73	6.61	6.58	6.60	6.64	6.48	6.46	6.48	6.33	6.16	6.16	6.17	6.13	5.89	5.89	5.90	5.90	5.73	5.72	5.73
New York	5.86	5.67	5.66	5.71	6.55	6.41	6.33	6.37	6.49	6.27	6.25	6.22	6.08	5.88	5.88	5.95	5.89	5.66	5.69	5.70	5.77	5.59	5.58	5.63
Other Northeast	6.45	6.32	6.29	6.29	6.75	6.61	6.61	6.59	6.84	6.70	6.70	6.69	6.57	6.48	6.42	6.42	6.39	6.10	6.08	6.19	6.09	6.00	5.99	5.95
North Central	6.12	5.91	5.92	5.91	6.80	6.64	6.65	6.67	6.65	6.44	6.41	6.46	6.39	6.13	6.16	6.18	6.17	5.89	5.89	5.87	5.92	5.75	5.76	5.74
Southeast	6.07	5.93	5.92	5.94	6.58	6.44	6.38	6.46	6.32	6.22	6.18	6.25	6.05	5.95	5.97	5.96	6.03	5.71	5.78	5.75	5.84	5.74	5.67	5.68
Southwest	6.18	6.04	6.01	6.03	6.65	6.63	6.54	6.61	6.50	6.37	6.32	6.36	6.26	6.12	6.10	6.09	6.13	5.97	5.95	5.95	5.95	5.81	5.78	5.82
West Coast	6.26	6.05	6.02	6.03	7.26	7.14	7.12	7.08	6.90	6.86	6.84	6.79	6.49	6.31	6.38	6.34	6.27	6.03	5.95	5.89	6.03	5.78	5.72	5.76
1968																								
All centers	6.36	6.84	6.89	6.61	6.82	7.18	7.35	7.27	6.76	7.21	7.27	7.14	6.56	7.00	7.07	6.80	6.31	6.81	6.90	6.57	6.19	6.68	6.70	6.40
New York	6.14	6.60	6.67	6.40	6.71	7.11	7.30	7.16	6.65	7.07	7.14	6.95	6.39	6.82	6.87	6.59	6.15	6.64	6.69	6.40	6.06	6.52	6.60	6.32
Other Northeast	6.73	7.18	7.16	6.95	6.84	7.21	7.49	7.43	7.00	7.48	7.48	7.42	6.85	7.33	7.28	7.04	6.62	7.09	7.14	6.78	6.48	6.90	6.83	6.59
North Central	6.35	6.89	6.96	6.69	6.95	7.30	7.35	7.22	6.83	7.26	7.34	7.14	6.62	7.06	7.21	6.87	6.36	6.90	7.08	6.66	6.18	6.76	6.78	6.55
Southeast	6.21	6.61	6.74	6.44	6.57	6.89	7.09	6.98	6.43	6.83	6.96	6.85	6.25	6.65	6.78	6.62	6.01	6.53	6.61	6.42	6.04	6.37	6.54	5.75
Southwest	6.41	6.87	6.86	6.48	6.75	7.16	7.20	7.14	6.54	7.02	7.08	6.93	6.39	6.85	6.91	6.63	6.27	6.72	6.78	6.48	6.42	6.86	6.72	6.10
West Coast	6.31	6.76	6.86	6.62	7.37	7.68	7.73	7.68	7.00	7.37	7.50	7.33	6.62	6.95	7.11	6.83	6.33	6.80	6.78	6.52	6.03	6.54	6.63	6.40
1969																								
All centers	7.32	7.86	8.82	8.83	7.73	8.22	8.99	9.05	7.70	8.23	9.14	9.20	7.46	8.01	8.96	9.00	7.29	7.84	8.84	8.84	7.16	7.70	8.67	8.66
New York	7.13	7.66	8.65	8.66	7.76	8.23	9.12	9.22	7.65	8.14	9.12	9.13	7.30	7.81	8.83	8.83	7.13	7.65	8.65	8.74	7.06	7.60	8.59	8.58
Other Northeast	7.59	8.18	9.14	9.21	7.88	8.31	9.09	9.16	8.03	8.50	9.49	9.57	7.76	8.31	9.32	9.36	7.48	8.16	9.15	9.18	7.18	7.84	8.77	8.85
North Central	7.41	7.89	8.85	8.83	7.79	8.09	8.80	8.77	7.81	8.20	9.14	9.16	7.60	8.07	9.06	9.11	7.49	7.95	8.93	8.81	7.26	7.76	8.72	8.70
Southeast	7.01	7.66	8.46	8.58	7.37	7.96	8.59	8.69	7.20	7.91	8.57	8.73	7.09	7.72	8.39	8.55	6.79	7.44	8.48	8.60	6.84	7.45	8.45	8.45
Southwest	7.25	7.87	8.85	8.79	7.56	8.27	9.09	9.20	7.42	8.09	8.96	9.02	7.21	7.89	8.83	8.81	7.23	7.80	8.75	8.76	7.18	7.76	8.84	8.66
West Coast	7.35	7.83	8.75	8.81	8.09	8.51	9.47	9.45	7.81	8.23	9.23	9.22	7.54	7.97	8.94	8.95	7.26	7.75	8.82	8.76	7.18	7.70	8.56	8.67
1970																								
All centers	8.86	8.49	8.50	8.07	9.17	9.05	9.15	8.89	9.26	9.04	9.07	8.79	9.04	8.73	8.75	8.34	8.87	8.43	8.46	8.09	8.67	8.25	8.25	7.74
New York	8.65	8.24	8.24	7.74	9.31	9.05	9.07	8.67	9.12	8.91	8.95	8.60	8.89	8.53	8.59	8.12	8.72	8.31	8.23	7.83	8.57	8.13	8.12	7.59
Other Northeast	9.23	8.86	8.89	8.47	9.28	9.23	9.41	9.00	9.60	9.34	9.42	9.09	9.36	9.01	9.01	8.60	9.18	8.72	8.68	8.30	8.91	8.45	8.49	7.99
North Central	8.86	8.44	8.47	8.05	8.96	8.80	8.90	8.71	9.24	8.93	8.99	8.72	9.11	8.78	8.79	8.36	8.88	8.44	8.46	8.26	8.71	8.24	8.27	7.78
Southeast	8.67	8.44	8.49	8.15	8.82	8.70	8.76	8.72	8.80	8.77	8.79	8.64	8.65	8.49	8.54	8.16	8.54	8.31	8.45	7.95	8.63	8.15	8.15	7.78
Southwest	8.87	8.61	8.53	8.08	9.25	9.10	9.08	8.85	9.11	8.90	8.84	8.53	8.94	8.61	8.59	8.26	8.86	8.32	8.48	7.99	8.67	8.58	8.33	7.69
West Coast	8.84	8.42	8.54	8.16	9.61	9.49	9.51	9.41	9.32	9.13	9.19	8.99	8.96	8.72	8.81	8.38	8.98	8.50	8.61	8.12	8.66	8.13	8.28	7.90
	Revolving credit loans																							
1967																								
All centers	6.05	5.85	5.83	5.82	6.95	6.84	6.78	6.93	6.79	6.68	6.66	6.70	6.33	6.22	6.18	6.13	6.01	5.97	5.85	5.87	5.98	5.74	5.74	5.72
New York	5.83	5.65	5.65	5.62	6.30	5.95	5.84	6.03	6.01	5.87	5.81	5.91	5.82	5.78	5.73	5.78	5.79	5.54	5.63	5.74	5.83	5.65	5.64	5.59
Other Northeast	6.17	5.78	6.02	5.98	6.77	6.87	6.66	6.86	6.57	6.46	6.48	6.79	6.59	6.09	6.56	5.93	6.24	5.78	6.09	5.93	5.98	5.60	5.81	5.89
North Central	5.91	5.88	5.86	5.75	6.88	6.72	6.41	6.79	6.54	6.92	6.71	6.57	6.08	6.43	6.37	6.27	5.76	6.34	5.91	5.81	5.88	5.73	5.77	5.65
Southeast	5.99	5.84	5.90	6.14	6.00	5.97	6.00	6.01	6.00	5.98	6.32	6.18	5.83	5.72	5.79	6.01	6.18	6.06	6.13	6.23	5.93	5.71	5.67	.....
Southwest	6.27	6.19	6.11	6.51	6.75	6.61	6.95	6.98	6.96	6.64	6.94	6.79	6.49	6.17	6.34	6.45	6.06	6.42	6.12	6.30	6.11	6.00	5.81	6.57
West Coast	*6.22*	*5.94*	*5.89*	*5.89*	*7.57*	*7.36*	*7.38*	*7.48*	*6.97*	*6.79*	*6.76*	*6.79*	*6.51*	*6.32*	*6.20*	*6.18*	*6.17*	*5.95*	*5.84*	*5.84*	*6.13*	*5.81*	*5.79*	5.78

1968																								
All centers	6.22	6.67	6.77	6.46	7.06	7.45	7.47	7.32	6.91	7.31	7.44	7.26	6.51	6.96	7.04	6.83	6.24	6.82	6.70	6.45	6.14	6.57	6.70	6.37
New York	6.08	6.39	6.58	6.30	6.34	6.62	6.33	5.76	6.12	6.43	6.63	6.56	6.24	6.47	6.64	6.48	6.10	6.56	6.64	6.35	6.07	6.36	6.57	6.27
Other Northeast	6.40	6.91	6.96	6.59	6.98	7.71	7.91	7.76	7.28	7.75	8.17	7.55	6.79	7.36	7.46	6.75	6.52	6.57	6.99	6.42	6.16	6.74	6.66	6.44
North Central	6.14	6.74	6.78	6.46	6.68	7.14	7.60	7.45	6.80	7.07	7.13	7.05	6.47	6.93	6.99	6.80	6.10	6.69	6.88	6.43	6.08	6.71	6.73	6.40
Southeast	6.19	7.42	6.91	6.52	6.05	6.72	6.31	6.18	6.38	7.11	7.22	7.08	6.34	7.84	7.92	7.59	6.32	7.16	6.50	6.04	6.00	7.54	6.70	6.26
Southwest	6.37	7.02	6.86	7.06	7.36	7.46	7.81	7.03	6.65	7.48	7.36	7.16	6.56	7.14	7.20	6.92	6.37	7.34	6.52	6.99	6.22	6.73	6.73	7.14
West Coast	6.31	6.74	6.84	6.50	7.70	7.84	7.76	7.72	7.00	7.34	7.49	7.35	6.56	7.01	7.07	6.91	6.30	6.94	6.67	6.45	6.21	6.63	6.78	6.38
1969																								
All centers	7.23	7.67	8.65	8.67	7.72	8.38	8.81	8.89	7.82	8.13	8.89	9.05	7.42	7.87	8.68	8.79	7.21	7.71	8.67	8.71	7.18	7.61	8.63	8.63
New York	7.14	7.55	8.58	8.59	6.32	7.43	8.60	6.85	7.01	7.58	8.23	8.32	7.07	7.65	8.48	8.68	7.09	7.59	8.54	8.70	7.15	7.53	8.60	8.58
Other Northeast	7.22	7.69	8.93	8.73	7.84	8.41	8.57	9.32	7.92	8.26	8.86	8.99	7.29	7.79	8.73	8.81	6.85	7.70	8.50	8.66	7.18	7.58	9.08	8.69
North Central	7.35	7.68	8.64	8.76	7.56	8.46	9.02	8.95	7.84	8.36	9.06	9.32	7.41	7.82	8.81	8.93	7.41	7.70	8.60	8.72	7.33	7.63	8.61	8.73
Southeast	7.22	7.61	8.57	8.40	6.51	8.00	8.01	8.02	7.39	7.83	8.08	8.27	7.37	7.54	7.84	8.21	7.14	7.70	8.91	8.50	7.25	7.50	8.88	8.50
Southwest	7.59	7.95	9.10	9.22	7.74	8.29	9.36	9.74	7.46	7.85	9.21	9.34	7.62	7.82	8.93	9.21	7.64	7.89	8.89	9.06	7.57	8.06	9.24	9.27
West Coast	7.22	7.72	8.63	8.63	8.36	8.58	9.14	9.11	7.96	8.18	8.91	9.07	7.51	7.98	8.68	8.73	7.18	7.74	8.73	8.67	7.12	7.64	8.59	8.59
1970																								
All centers	8.62	8.19	8.29	7.86	9.16	9.04	9.32	9.18	9.18	9.03	9.11	8.85	8.82	8.53	8.53	8.21	8.63	8.26	8.39	7.93	8.57	8.09	8.21	7.75
New York	8.53	8.14	8.15	7.69	8.26	8.32	8.04	7.43	8.35	8.02	7.84	7.83	8.71	8.19	8.28	7.73	8.41	8.19	7.99	7.74	8.53	8.14	8.16	7.68
Other Northeast	8.87	8.48	8.44	8.26	9.13	8.91	9.51	9.99	9.62	9.28	9.36	9.06	9.11	8.65	8.36	8.33	8.81	8.52	8.32	8.19	8.71	8.31	8.34	8.12
North Central	8.73	8.15	8.37	7.94	9.22	8.90	9.22	8.58	9.46	9.07	9.23	8.62	8.89	8.67	8.74	8.14	8.66	8.33	8.53	7.95	8.69	8.03	8.28	7.88
Southeast	8.69	8.12	8.24	8.23	8.48	8.49	8.50	8.46	8.56	8.58	8.60	8.09	9.13	8.20	8.33	8.02	8.59	7.59	8.09	8.27	8.59	8.33	8.20	8.56
Southwest	9.27	8.83	8.88	8.42	9.44	9.01	9.16	9.64	9.25	8.89	8.88	9.32	9.31	9.12	9.16	8.80	9.15	8.62	8.90	8.52	9.31	8.77	8.73	7.98
West Coast	8.56	8.16	8.29	7.83	9.49	9.44	9.75	9.44	9.14	9.12	9.23	8.92	8.72	8.49	8.48	8.27	8.61	8.22	8.49	7.85	8.49	8.03	8.21	7.68
	Long-term loans																							
1967																								
All centers	5.84	5.99	5.90	6.01	6.62	6.36	6.26	6.53	6.71	6.48	6.33	6.54	6.11	6.19	6.31	6.34	6.22	5.93	5.88	6.17	5.69	5.94	5.80	5.90
New York	5.46	5.81	5.80	5.88	6.96	6.11	6.50	5.95	6.42	6.11	6.22	5.84	6.05	6.05	7.05	5.94	6.10	5.60	5.72	6.17	5.37	5.80	5.71	5.86
Other Northeast	6.15	6.28	6.03	6.11	6.50	6.37	6.36	6.53	6.89	6.47	6.41	6.78	6.08	6.04	6.07	6.35	6.07	5.81	5.96	6.25	6.10	6.42	5.98	5.94
North Central	6.11	5.93	5.79	5.97	7.65	6.40	6.32	6.32	6.74	6.47	6.01	6.58	6.30	6.16	6.20	6.34	6.17	5.80	5.71	5.83	6.01	5.87	5.71	5.88
Southeast	6.08	6.01	6.17	6.62	5.83	6.51	6.25	6.58	6.61	6.17	6.36	6.73	5.80	6.14	6.10	6.57	6.00	6.00	6.83	.....	.....	5.75	6.86	.....
Southwest	5.93	6.25	6.07	6.16	5.97	6.17	5.79	6.68	6.54	6.58	6.32	6.52	5.99	6.53	5.98	6.47	6.65	6.56	6.18	6.66	5.67	6.05	6.05	5.89
West Coast	6.18	6.17	6.28	6.32	6.99	6.94	6.80	7.14	6.84	7.07	7.19	6.58	6.08	6.36	6.54	6.81	6.39	6.50	.....	6.49	6.11	6.01	6.15	6.17
1968																								
All centers	6.35	6.73	7.03	6.79	6.71	7.04	7.27	7.08	6.82	7.14	7.41	7.09	6.56	7.01	7.20	6.93	6.37	6.77	7.02	6.92	6.28	6.65	6.97	6.74
New York	6.03	6.80	6.67	6.88	6.34	6.98	6.52	6.36	6.39	6.71	6.96	6.68	6.20	7.02	7.25	6.87	5.96	7.43	7.09	6.68	6.01	6.75	6.60	6.90
Other Northeast	6.49	6.78	7.22	6.96	6.57	6.97	7.22	7.56	6.94	7.47	7.84	7.24	6.39	6.97	7.43	6.93	6.30	6.40	7.27	7.06	6.50	6.73	7.08	6.90
North Central	6.65	6.34	7.16	6.47	6.92	7.05	7.72	7.09	6.82	6.99	7.41	7.05	6.78	7.04	7.09	6.96	6.63	6.58	6.69	6.79	6.61	6.12	7.24	6.28
Southeast	6.27	6.60	6.82	6.98	6.69	6.86	6.41	6.56	6.78	6.71	6.86	7.26	6.58	6.78	6.69	7.24	6.00	6.87	6.76	7.24	5.75	6.21	7.00	6.50
Southwest	6.69	7.09	7.76	6.92	6.83	7.15	7.36	6.56	6.88	7.23	7.25	7.04	6.77	6.95	7.21	6.83	6.46	6.62	7.18	7.28	6.69	7.23	8.14	6.86
West Coast	6.21	7.07	6.99	6.82	6.87	7.34	7.74	7.04	7.01	7.30	7.46	7.43	6.65	7.25	7.14	7.02	6.57	7.16	7.21	6.83	6.00	7.00	6.88	6.73
1969																								
All centers	6.64	7.87	8.66	8.86	7.95	7.68	8.77	8.72	7.51	8.09	8.93	9.07	7.39	7.95	8.68	8.71	7.49	7.81	8.73	9.02	6.35	7.85	8.63	8.86
New York	5.84	7.97	8.46	8.71	7.47	7.78	8.90	8.53	6.94	7.69	8.60	8.54	7.61	7.97	8.69	8.72	7.54	8.08	8.77	8.54	5.60	7.97	8.42	8.72
Other Northeast	7.45	7.76	9.00	8.87	9.21	8.07	9.16	8.77	7.70	8.62	9.33	8.94	7.40	7.89	8.94	8.63	7.49	7.77	8.64	9.42	7.39	7.62	9.05	8.82
North Central	6.82	7.91	8.75	9.03	7.29	7.91	8.97	8.98	7.49	8.12	9.18	9.32	7.14	8.01	8.64	8.83	7.51	7.64	8.90	9.08	6.59	7.93	8.71	9.05
Southeast	7.30	7.40	7.98	9.45	6.63	6.97	6.70	8.83	6.85	7.33	8.05	9.04	7.52	7.60	7.92	8.46	6.95	8.00	7.79	7.25	7.47	6.98	8.17	9.14
Southwest	7.50	7.73	8.83	9.25	6.78	6.75	8.31	8.32	7.60	7.76	8.65	9.26	7.32	7.95	8.49	8.88	7.34	7.91	8.90	9.45	7.60	7.62	8.96	9.34
West Coast	7.16	7.70	8.58	8.50	7.67	8.33	9.41	9.04	8.12	8.08	8.60	9.21	7.79	8.07	8.97	8.24	7.70	7.48	8.01	8.50	6.86	7.62	8.57	8.50
1970																								
All centers	8.67	8.25	8.66	8.31	8.49	9.14	9.51	9.14	9.20	8.92	8.94	8.66	8.93	8.60	8.74	8.29	8.64	8.44	8.72	7.97	8.59	8.12	8.62	8.33
New York	8.81	8.35	8.26	8.28	6.11	8.59	8.42	7.63	8.43	8.73	7.82	8.46	8.84	8.48	7.61	7.85	8.31	8.59	8.70	7.58	8.84	8.32	8.28	8.35
Other Northeast	8.74	8.56	8.82	8.39	9.11	9.74	10.44	10.28	9.57	9.31	9.25	8.62	8.76	8.67	9.29	8.10	8.54	8.52	8.90	8.67	8.67	8.43	8.60	8.35
North Central	8.53	7.65	9.29	8.38	8.54	8.79	9.65	8.39	9.68	8.80	9.28	8.65	9.21	8.52	9.35	8.47	8.54	8.01	8.99	7.66	8.32	7.34	9.33	8.47
Southeast	8.19	8.49	8.50	8.69	7.05	8.66	8.79	8.44	7.92	8.92	8.44	8.90	8.01	8.04	8.57	8.76	6.58	8.92	9.55	7.78	9.29	8.59	8.00	8.91
Southwest	8.82	8.62	8.13	8.28	8.25	8.73	8.19	8.33	8.82	8.71	8.96	8.75	9.07	8.90	8.54	8.57	9.67	8.42	8.50	8.39	8.54	8.55	7.81	8.09
West Coast	7.95	8.39	9.29	7.95	9.13	8.81	9.32	9.16	9.48	8.70	8.83	8.78	8.94	8.56	8.31	8.32	8.80	9.75	7.07	7.53	7.49	8.14	9.85	7.86

NOTE.—All data are on the unrevised basis.

Statements to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, May 19, 1971.

I appreciate this opportunity to appear before you on behalf of the Board of Governors to discuss recent developments in the international monetary system.

I should like to begin by sketching in the background of the events of the past few weeks. A careful look at the background will assist all of us in maintaining perspective on the dramatic happenings in the foreground.

The basic fact to keep in mind can be stated simply: on top of an underlying and long-lasting deficit in our balance of payments, there has been a massive flow of short-term funds from the United States to Europe within the past year.

I shall return later to a discussion of the underlying imbalance in our payments position. By itself, this imbalance is nowhere near large enough to have created a crisis. Let us first focus, therefore, on the substantial flow—perhaps I should say reflow—of short-term capital across the Atlantic.

SHORT-TERM CAPITAL FLOW

The short-term capital that has moved from the United States to Europe in the past year largely represents funds that had shifted from Europe to the United States during 1969 when monetary policy was much tighter here than in Europe. At that time, while both fiscal and monetary policies in our country were aimed at combating excess demand, Europe was in a more tranquil stage of economic expansion. American banks, finding their deposits running off as short-term market rates of interest rose above the Regulation Q ceilings, deemed it advantageous to borrow funds from their branches abroad in order to meet domestic demands for credit. The branches in turn bid for funds in the Euro-dollar market, and the interest rates they offered were attractive enough to induce foreigners, mostly in Europe, to shift out of assets in their own currencies into dollars. The result was that upward pressure was exerted on interest rates in some European countries and foreign central banks experienced a reduction in their dollar reserves.

It is this process that was reversed over the past year.

Once excess demand for goods and services was brought under control in the United States, the Federal Reserve shifted its policies progressively away from severe restraint and toward moderate ease, in order to assure that the desired cooling off of demand conditions did not go so far as to create a cumulative recession. Meanwhile, many European countries experienced an intensification of economic activity combined with a strong acceleration of wage costs. As a result, monetary policies were tightened in Europe in the latter part of 1969 and in 1970.

In these circumstances, short-term interest rates fell in the United States relative to Europe. American banks found that they could now attract funds at home at lower cost than what they were paying in the Euro-dollar market, and they therefore started to repay what they had earlier borrowed from their branches. Meanwhile, European borrowers—both private corporations and governmental entities—were finding that they could avoid domestic credit stringency and pay lower interest rates by borrowing in the Euro-dollar market. The massive repayments of liabilities by U.S. banks to their branches were the result not only of a push from the United States, where monetary policy was easing, but also of a pull from Europe, where credit conditions remained tight.

Thus, what we have been faced with in the past 2 years has been a disparity in the phasing of the business cycle in Europe and the United States. Given the existence of such a disparity, it is understandable that there has also been a disparity in monetary conditions, first one way and then the other. In a world of convertible currencies in which many business corporations and financial institutions command large sums, differences in monetary conditions can induce sizable movements of short-term capital. These swings in short-term capital have no doubt been facilitated by the existence of the Euro-currency markets. But it would be a mistake to believe that the existence of these markets caused the flows. The cause lies in the difference in phasing of basic economic and monetary conditions.

The major pull on short-term funds came from Germany, where the central bank made especially strong efforts to restrain the availability of domestic credit but where private borrowers were quite free to seek loans abroad. There was thus a reciprocal interaction: decisions by U.S. banks to shift from more costly liabilities in the Euro-dollar market to less costly liabilities at home released funds for lending to European companies; but the demand for funds by these companies put upward pressure on Euro-dollar rates and increased the incentive for U.S. banks to repay their Euro-dollar liabilities. In the process, dollars moved in large volume into foreign reserves and the efforts of foreign central banks to combat inflation were to some degree undermined.

One other aspect of this flow should be mentioned. The differential in interest rates between the United States and Europe, including the Euro-dollar market, led a number of central banks to shift dollar reserves held in the United States to higher yielding deposits in the Euro-dollar market. Whether they engaged in this practice directly or through the Bank for International Settlements, the result was to intensify the problem caused by the flow of short-term capital across the Atlantic. Such placements of central bank foreign exchange reserves in the Euro-dollar market made funds available to European borrowers—thus tending to undermine tight money policies in Europe—and led to the creation of official dollar holdings abroad on top of the dollar reserves that originated in the U.S. balance of payments deficit.

ACTIONS TO DEAL WITH THE CAPITAL FLOW

As I have already noted, the flow of short-term funds abroad was a result of a U.S. push as well as a European pull. For our part, the U.S. monetary authorities took various actions designed to reduce or intercept the flow of short-term capital. The motivation for such actions was to moderate the U.S. balance of payments deficit and the attendant build-up of dollars in the hands of foreign central banks.

I shall merely identify, without discussing at length, the actions taken by the U.S. Government.

(1) The Federal Reserve's Euro-dollar regulations, first adopted in 1969 in order to check the inflow from Europe, contained a feature—automatic downward adjustment of the reserve-free base—that provided some

incentive for banks to hold on to their Euro-dollar liabilities.

(2) In November 1970 the Federal Reserve raised the marginal reserve requirement on bank borrowings of Euro-dollars above the reserve-free base from 10 to 20 per cent. This measure reminded banks that preservation of the reserve-free base might be of value to them.

(3) The Federal Reserve extended the automatic downward adjustment to reserve-free bases of banks on the so-called 3 per cent basis and gave these banks time to acquire Euro-dollar liabilities.

(4) Federal Reserve open market purchases were conducted, insofar as practicable, in coupon issues rather than Treasury bills, so as to moderate downward pressure on short-term interest rates without interfering with the basic objectives of monetary policy.

(5) Since mid-March, a moderate advance of short-term interest rates was tolerated by the Federal Reserve, mainly for domestic reasons, but partly also because it helped to narrow the gap between U.S. and European interest rates.

(6) The Treasury Department, in its debt management operations, placed more stress on issuing short-term securities, thereby avoiding upward pressure on long-term—but not on short-term—interest rates.

(7) The Export-Import Bank and the Treasury issued $3 billion of securities to foreign branches of American banks. These special issues intercepted funds that would otherwise have probably landed in foreign central banks.

Meanwhile, European central banks acted constructively to narrow the differential in interest rates. The central bank in Germany and in a number of other countries, motivated by varying combinations of domestic and external considerations, reduced their discount rates in early April. Short-term rates on market instruments also declined.

THE SITUATION ON THE EVE OF THE CRISIS

By early April a convergence of interest rates was well under way, and we had reason to believe that we had passed the period of maximum capital flow from the United States to Europe. In fact, our statistics show that in April the flow of dollars from our banks to Europe subsided markedly. Not only that, but plans were well advanced to check further creation of Euro-dollars by foreign central banks and to assist, through the U.S. Treasury, the recycling of dollars from Europe to the United States.

Unhappily, this situation of relative calm in foreign exchange markets was disturbed by various news items, beginning with reports towards the end of April about a discussion among the Finance Ministers of the European Economic Communities concerning a proposal for the EEC currencies to float together against the dollar. A little later, five economic research institutes of Germany issued simultaneous reports recommending that the Deutsche mark be permitted to float or be revalued. And the German Economics Minister was reported to have characterized these recommendations as constructive. The background for these developments is quite clear: the intensification of inflationary pressures had given rise to a major political problem in Germany and exchange rate action came to be regarded by some prominent men of affairs as an appealing solution to this problem.

These events were sufficient to generate an enormous wave of speculation about a possible upward move of the D-mark and other currencies. Several European central banks ceased intervening in the exchange markets and, after a Brussels meeting on May 8 and 9 of the Common Market authorities, Germany and the Netherlands decided to let their currencies fluctuate beyond the customary margin, while Switzerland and Austria revalued, and Belgium adapted its dual-exchange market system to the new situation. France and Italy decided to leave their exchange policies unchanged.

THE PRESENT SITUATION

The options open to the German authorities appeared to be either to introduce controls on the inflow of capital or to take action in the exchange rate field. They chose the latter but agreed with their Common Market partners to deliberate by July 1 on appropriate measures to discourage inflows of capital and to neutralize their effects on the internal monetary situation.

How long the D-mark and the guilder will float is uncertain and is, of course, a matter for determination by the authorities of those countries in accordance with International Monetary Fund rules.

It is much too early to evaluate the effects of the crisis. We do know that it has generated strong resentments both among European governments and toward the United States. Whether or in what ways these sentiments will affect the future behavior of nations remains to be seen. We can, however, draw some lessons for our own policies.

LESSONS FROM THE CRISIS

As I have already stressed, the flow of dollars to Europe in the past year has to a major extent taken the form of short-term funds responding to differences in monetary conditions, which in turn reflected differences in business cycle phasing. Nevertheless, this flow came on top of a persistent deficit in our underlying balance of payments. Had such a persistent underlying deficit not existed, the recent crisis would not have been interpreted, as it was in some quarters, as a dollar crisis.

The underlying U.S. deficit, like the short-term capital flow, is attributable to actions and policies of other countries as well as to those of our own country. The United States cannot restore equilibrium to its balance of payments without acceptance or complementary actions abroad. But we must do what it is in our power to do, while we make efforts to persuade other countries to complement our actions.

What then can we do to improve the international position of the dollar? I see no real conflict between our domestic and our balance of payments objectives. The frequently suggested prescription of raising interest rates would not meet our lasting needs at home or abroad.

(1) The overriding need is to restore price stability even as the present slack in our economy is taken up. I believe, with growing conviction, that a cogent incomes policy is a necessary part of the effort to restore price stability.

(2) Until a better price performance makes it possible for us to rebuild a healthy trade surplus, we must be prepared to maintain our restraints on private capital outflow. I can think of nothing that would arouse greater resentment abroad and weaken the dollar more than an attitude of neglect that included dismantling or even relaxing our existing programs to restrain the outflow of U.S. capital.

(3) We need to persuade other nations to relax promptly the restrictions on their imports and on investments abroad by their own citizens, besides undertaking a significantly larger contribution to the defense of the Free World.

(4) In the future, we must work with other nations to try to bring about smaller

divergences of monetary policies. While many Europeans feel that the United States depended excessively on monetary ease in the past year, there are surely grounds for holding that the Europeans relied excessively on monetary stringency during this period. A more active use of fiscal policy by each major country in the interest of its own economy could, if found feasible, materially reduce divergences in monetary policies and thereby limit short-term movements of funds and payments imbalances.

(5) At the same time, measures can be adopted to offset the effects of those short-term capital flows that cannot be prevented. Such measures might include issues of securities by the U.S. Government abroad to absorb funds from the Euro-dollar market, and the provision of improved investment outlets in the United States for foreign central bank reserves.

CONCLUSION

Let me say in closing that, despite recent events, I see no reason for gloom about our balance of payments as we look ahead.

First, our price performance is likely to be better than that of many other industrial countries, especially if we adopt a stronger incomes policy. This will permit us to regain competitive strength that we probably lost in the second half of the 1960's.

Second, our receipts of investment income from abroad have been rising rapidly. We expect this to continue even as rewards from investment at home, which affect both our capital and current accounts, loom larger.

Third, we have seen in recent years a large increase in foreign investment in the U.S. stock market. This too should continue, provided we maintain a strong and healthy economy and take measures to prevent recurrences of the sort of speculative crisis that has occurred recently.

Fourth, the continuing reduction of our troops in Vietnam is diminishing the military drain on our balance of payments.

Fifth, the bulk of the short-term capital outflow is now behind us. U.S. banks have reduced their liabilities to their branches from over $14 billion in early 1970 to about $2 billion presently. Thus even before our underlying payments position improves, our deficit on the official settlements basis should fall sharply from its rate of the last year or so.

These favorable prospects can be hastened, as I have suggested earlier, if they are accommodated to by other countries. The balance of payments is, by definition, a flow *between* countries or regions. The U.S. deficit is the rest of the world's surplus. The rest of the world must be prepared to see its surplus decrease if the U.S. deficit is to decrease. This simple arithmetic truism has important policy implications for our major trading partners as well as for us.

Statement of J. L. Robertson, Vice Chairman, Board of Governors of the Federal Reserve System, before the Subcommitee on International Trade of the Committee on Banking and Currency, House of Representatives, May 19, 1971.

Mr. Chairman, I am pleased to appear before your committee to discuss with you the views of the Board of Governors on H.R. 8181. The Board has a strong interest in this bill because two of its three titles would directly affect important aspects of our operations. Title I would require the Federal Reserve to grant credit, under certain specified interest rate spreads, to any federally insured bank seeking funds to finance the production or sale of goods for export from this country. Title II would require the Federal Reserve to exclude from the coverage of its Voluntary Foreign Credit Restraint (VFCR) guidelines any credit extended by banks or other financial institutions to finance exports of U.S. goods.

Governor Brimmer and I would like to present the Federal Reserve position on these two sections of the bill in two parts. I will comment first on Title I. Although I was responsible for managing the Board's VFCR program in its early years, Governor Brimmer has had responsibility for its administration since mid-1968—and I might add that he has done an excellent job of it. It is, therefore, more appropriate for him to comment on that part of the bill.

Another topic of special interest to our Board, which I understand your subcommittee is also considering, is the question whether the Export-Import Bank should be placed outside Federal budget totals and ceilings on expenditures and net lending. While Title III of H.R. 8181 contains several amendments broadening the authority of the Export-Import Bank, it leaves the budgetary status of the Bank unchanged. H.R. 5846, on the other hand—which I understand is also on your subcommittee's agenda—would take the Bank out of the budget totals. Near the end of my remarks I would, therefore, like to reiterate briefly the Board's position, already communicated to other committees of Congress, supporting retention of the Bank in the budget.

HOW TITLE I WOULD WORK

Title I of the proposed bill would, in effect, provide any federally insured bank automatic access to Federal Reserve credit in amounts limited only by the volume of export paper in the bank's portfolio. Such paper would be discounted by Federal Reserve Banks at the discount rate or 6 per cent, whichever was lower, for short-term paper. For 1- to 5-year paper, the maximum rate would be 5 per cent; and for longer-term paper, 4 per cent. Under this arrangement the spread to the commercial bank (*i.e.*, the difference between the rate charged the customer and the rate at which the loan was discounted by the Reserve Bank) would be allowed to range from ¾ to 2½ percentage points, depending on the remaining maturity of the loan, whether the exports involved were destined for a developed or a developing country, and whether the loan was guaranteed or insured by the Export-Import Bank.

The extent to which U.S. banks would take advantage of such an opportunity to discount their export loans could be expected to vary with domestic interest rate conditions since banks would be limited as to the interest rate they could charge the exporter and still use the Federal Reserve facility. At times when banks were highly liquid and time deposits or other funds to finance their loans could be obtained in the market at rates below the prescribed Federal Reserve minimums, there would be little disposition to take advantage of the facility. But in periods when bank funds were more costly than the maximum 6, 5, and 4 per cent discounting rates specified, banks would be encouraged to use the facility both to make new export loans and to unload their holdings of outstanding export paper on the System.

The opportunity to obtain instant liquidity by unloading export loans on the Federal Reserve would, of course, be quite valuable to a bank in periods when monetary policy was in a posture of anti-inflationary restraint. It should be noted in passing, however, that this advantage would be available only to a relatively small number of institutions. The bulk of U.S. foreign lending is carried on by less than 200 banks, and most of the dollar volume of export financing is concentrated in a much smaller number of large city banks.

Where banks did unload outstanding export loans in periods of general monetary restraint, the reserve funds they so acquired would most likely be used to support additional lending to preferred customers for domestic purposes rather than to export customers. However, the combination of low maximum discount rates and fixed spreads would at the same time assure unusually favorable rates on new export loans. In these circumstances foreign customers who might normally finance their imports from the United States in their own countries would be perfectly free to seek and, so long as the bargain rate relationships were maintained, to obtain through their American bankers unlimited credit from the Federal Reserve to finance imports.

It is important to distinguish the basic difference between this proposed discount facility for export loans and the operation of the existing Federal Reserve discount window. As already noted, under the proposed facility a bank would have the right to obtain Federal Reserve credit, at its own option and at guaranteed maximum rates, so long as it possessed or could generate export loan collateral eligible for discounting. Such credit could be used in turn to finance a more or less permanent expansion of domestic lending.

The purpose of the Federal Reserve discount window, on the other hand, is simply to provide member commercial banks with temporary liquidity, as needed to adjust their reserve positions and help meet weekly average reserve requirements. The window is not designed to provide credit for the purpose of inducing an expansion in bank lending. Consequently, borrowings at the discount window are limited in maturity to 15 days or less. If any particular member bank returns to the discount window too frequently and appears to be becoming "a continuous borrower," its management is brought under surveillance by the regional Federal Reserve Bank and advised to sell sufficient assets to repay the Federal Reserve borrowing. In short, the opportunity to borrow is a privilege provided only so long as a bank uses it to acquire temporary liquidity. If the bank attempts to stretch its use of Federal Reserve credit to finance asset holdings on a more permanent basis, the privilege is withdrawn.

EVALUATION OF TITLE I

The preceding sketch of the way in which the proposed Title I facility would work raises serious doubts about the advisability of its enactment. Because the Title I arrangements would provide automatic liquidity to the export loans held by any insured bank, they could seriously inhibit general monetary policy at times when the Federal Reserve was seeking to restrain inflation. At such times, banks would be likely to unload their outstanding export loans on the Federal Reserve as a means of continuing to meet the heavy credit demands of their domestic customers.

In addition, banks would very likely continue making new export loans, despite the conditions of general monetary restraint. Foreign customers would be attracted by the bargain rates and U.S. banks could immediately unload any new loans made on the Federal Reserve. Not only would this provision of Federal Reserve credit be automatic, the large banks receiving it would gain a discount interest rate advantage over other banks whenever the maximum discounting rates on export loans were below the regular Federal Reserve discount rate and rates on other short-term sources of bank funds.

When banks transferred export loans to the Federal Reserve, high-powered central bank dollars would be released which could serve as the basis for a multiple expansion of bank credit. In such circumstances, if the System's anti-inflation policy was not to be seriously eroded, this release of high-powered dollars would have to be offset through other System actions.

If the offsetting System actions could be made without too much lag, the total volume of bank credit expansion allowed by Federal Reserve policy would be no larger, but the share allocated to foreign lending would be. Thus, the effect of the selective expansion of export financing would be to reduce the amount and raise the costs of the credit supply remaining to finance such domestic needs as housing and State and local government programs.

In short, the Title I arrangement would at times have the inadvertent result of setting a higher priority on financing of export loans than on some domestic needs which might generally be regarded as socially more pressing. This is one of the difficulties of attempting to introduce a program of selective credit allocation within a framework of general monetary control. It also illustrates why the Board of Governors has consistently opposed the use of its discount facility for selective credit allocation purposes.

BUDGETARY STATUS OF EX-IM BANK

Turning now to the question of the appropriate budgetary status for the Export-Import Bank, the Board continues to recommend against proposals that would exclude the Bank's receipts and disbursements from the totals of the Federal budget and exempt them from any limitations on annual expenditures and net lending imposed through the budget. These proposals would make possible an expansion of Export-Import Bank operations by freeing them from budget restraints imposed on other Federal programs. Such restraints are designed to limit the demands of the Government on the real resources of the economy and to enable the Congress and the administration to establish priorities among Federal programs, so that the maximum benefit is derived from the total outlays of the Government.

If this exclusion from the budget is to have any effect, it will be to allow Export-Import Bank outlays to exceed those that it would make under present restraints. As a result, total Federal outlays will rise without being reflected in the budget totals. In addition, exclusion of the Export-Import Bank from the budget would set a precedent that undoubtedly would be invoked by other Government agencies seeking the same privilege. There are a number of agencies with this potential interest, and it would be hard to maintain that the Export-Import Bank is the only institution that merits such treatment.

PROMOTION OF EXPORTS

The Board's reservations about the desirability of enacting Title I of H.R. 8181 should not be interpreted as a lack of interest in promoting U.S. exports. The Federal Reserve is second to no one in its desire to see an improvement in the U.S. balance of payments. Hence we are very much export minded.

We also fully recognize the importance of providing adequate financing to assist our export sales abroad and believe that the Export-Import Bank plays a positive role in achieving this goal. For this reason we favor the amendments in Title III of H.R. 8181 which would increase the loan, guarantee, and insurance authority of the Ex-Im Bank —and, among other things, would permit an expansion of the existing discounting facility for medium-term export loans. Of course, our support of these expanded financial activities carries with it the proviso that they will be fully coordinated by the U.S. Treasury.

Finally, we believe that there is an important part to be played by such new organizations as the Private Export Funding Corporation. The Board, along with other Federal agencies, has helped in the establishment of that corporation. And we expect it to assume important responsibilities in marshalling financial resources in this country and abroad to support major U.S. exports. As a private venture operating with official guarantees and insurance paid for by users of the credits, PEFCO holds promise of providing substantial financial resources on competitive terms.

This completes my testimony, Mr. Chairman. At this point I would like to have Governor Brimmer testify on the VFCR program, if that meets with your wishes.

Statement by Andrew F. Brimmer, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on International Trade, of the House Banking and Currency Committee, May 19, 1971.

Mr. Chairman, I appreciate the opportunity to present the Federal Reserve Board's views on Title II of H.R. 8181. This title would prohibit any restraint under the Voluntary Foreign Credit Restraint (VFCR) program on export credit granted to foreigners by U.S. banks or other financial institutions.

The Board does not believe that this title of the bill should be enacted.

OVERVIEW OF THE VOLUNTARY FOREIGN CREDIT RESTRAINT PROGRAM

The Voluntary Foreign Credit Restraint program—the VFCR, as it is generally known—is part of an over-all U.S. Government program to reduce the deficit in the U.S. balance of payments.

Each element of the over-all balance of payments program is aimed at restraining capital outflow from the United States. The VFCR restrains capital outflow through banks and other financial institutions; the Foreign Direct Investment Program does so through regulating outflow from U.S. corporations to their affiliates overseas; and the interest equalization tax limits outflow resulting from the purchase by Americans of foreign stocks, bonds, and other equity and debt securities.

Any appraisal of the VFCR should be made in the context of the over-all program of which it is a part and in the light of the reliance which the Government continues to place on the other programs to which the VFCR is intimately related.

In formulating and administering the VFCR program, all elements of our balance of payments have been kept in mind. In particular, careful attention has been given to the relationship between measures on capital transactions and our policy of aiding in the growth of our exports.

The VFCR program constitutes a request by the Federal Reserve System that all financial institutions exercise restraint in lending of all types to foreigners and in making any other investments abroad. The request is embodied in a set of guidelines. All U.S. banks and other U.S. nonbank financial institutions have been invited to volunteer their cooperation in observing specific ceilings and principles; all U.S. agencies and branches of foreign banks have been asked to act in accordance with the spirit of the guidelines.

Mr. Chairman, given the Board's assignment in the over-all U.S. Government balance of payments effort, I would like to note at the outset the unusual nature of the approach taken in Title II of H.R. 8181.

It is a proposal for *statutory* action to change a program which calls for a *voluntary* response by U.S. private institutions. As I will indicate below, the Board has always been ready to change the VFCR when the evidence demonstrated that a change was needed to enhance the program's contribution to our balance of payments objectives. The Board will continue to review the VFCR guidelines, and it will readily revise the program as the need arises.

Mr. Chairman, at this point, I will turn to the proposal. In doing so, I would like, first, to describe briefly how export credits are now treated under the VFCR guidelines. I will confine my remarks almost entirely to the guidelines as they apply to banks—principally because the issue of export credits and the Title II directive would have greater relevance to banks than to the nonbank financial institutions.

TREATMENT OF EXPORT CREDIT UNDER VFCR GUIDELINES

All banks have two sets of ceilings within which they are to keep their outstanding loans to foreigners and their investments abroad: a General Ceiling and an Export Term-Loan Ceiling. The General Ceiling applies to all categories of foreign assets—by which is meant all types of loans or other credits extended to foreigners and all types of other foreign investments. The Export Term-Loan Ceiling applies to loans to foreigners with an original maturity of over 1 year and which finance the export of U.S. goods or the performance of U.S. services abroad. Within these two ceilings, there are a few subceilings and other supplementary restraints. For example, one of those supplemental restraints, in effect, asks banks not to channel their own funds into short-term assets abroad merely to obtain a financial return.

From the earliest days of the VFCR program, the guidelines have requested that, within their ceilings, institutions give priority to credits that finance U.S. exports. You will find that request stated specifically in the opening sentence of the guideline text.

Also from the inception of the program, bank credits in which the Export-Import Bank is involved were exempted from the guideline ceilings. As the exemption is expressed in the present guidelines, credits which are extended by banks or by nonbank financial institutions and which are guaranteed or participated in by the Eximbank, or insured by Eximbank's affiliated Foreign Credit Insurance Association, or guaranteed by the Department of Defense are not subject to guideline restraint. The exemption was created in the knowledge that the export financing activities of the Eximbank and the Department of Defense would be reviewed in the National Advisory Council on International Monetary and Financial Policy in which the Federal Reserve is represented.

Export credits have also been exempted from several special restraints in the guidelines. In particular, banks are not to make any new loans of a maturity of over 1 year to residents of the developed countries of continental Western Europe, *except* for loans which finance U.S. exports. Similarly, banks are to hold their short-term credits to such residents to 75 per cent of the end-of-1967 level, *except* for credits which finance exports.

When the guidelines have been revised to increase ceilings or to establish procedures so that banks without ceilings might adopt them—and thereby be able to engage in foreign lending—special effort has been made to earmark the new lending latitude for export financing. This has occurred many times.

In the first revision of guidelines at the end of 1965, a change in the ceiling formula gave some banks an increment in lending leeway. They were asked to use that latitude exclusively for export credits and credits for less developed countries.

In the spring of 1969, banks were offered two alternative methods for calculating their ceilings. The formula was framed with the intent, and had the effect, of significantly increasing the ceilings of small and medium-sized banks. The increase in the aggregate amounted to almost $0.5 billion. This was significant in relation to total ceilings of all banks—which amounted to about $9 billion. It was even more significant for the banks which benefited most directly, since they accounted for only a minor fraction of the $9 billion of existing ceilings. One of the most important reasons for the increase and for its allocation to the smaller banks was that it would improve their opportunity to finance exports.

In December 1969, each bank was given a second ceiling to be used exclusively for loans of over-1-year maturity that financed exports. Since that date, every bank has had a General Ceiling and an Export Term-Loan Ceiling. The creation of the second ceiling added about $1¼ billion in lending latitude, all for exports, to the approximately $10 billion of aggregate ceilings then in existence.

In drawing up provisions to guide banks which have had no ceilings but which have proposed to adopt them—and to guide the Federal Reserve Banks which consult with them to arrive at specific ceilings—the potential concentration on export financing has had top attention. The guidelines today permit new entrants into the foreign lending field to adopt ceilings up to a certain limit, but those ceilings—the General and Export Term-Loan Ceiling taken together—are to be employed "predominantly" for export financing.

Finally, a general exception in the guidelines has significance for export financing. That is the exemption of Canada from the program. Since early 1968, bank loans and all other types of credit extended to residents of Canada have been exempted from the guidelines. This exemption was adopted for the VFCR and for the other U.S. Government balance of payments programs, notably the Foreign Direct Investment Program, in light of the special relationship between the two economies and in light of safeguards the Canadians imposed to prevent Canada from becoming a "pass-through" for U.S. capital into other parts of the world. This geographic exemption serves as an important exemption for export financing, since Canada is the most important single foreign national market for U.S. exports.

IMPACT OF THE VFCR PROGRAM ON EXPORT FINANCING

In keeping the administration of the program under constant review, the Board has watched closely for any evidence that the savings in capital outflow might be offset by a loss of exports or even by a shortfall in the increase in exports for which we are striving.

Last year, as we were moving toward the time when decisions would once again be made about the possible extension and revision of the several capital restraint programs, the Board undertook a separate inquiry into the possible effect in 1970 of the VFCR on export financing and on exports. That inquiry went to the heart of the question represented by this bill. The results gave us information valuable for the decisions the Board was to take—and that Congress, by virtue of H.R. 8181, is asked now to take.

With the cooperation of the Department of Commerce, the Board drew up questions to be asked of banks and of U.S. exporters about efforts made in 1970 to obtain credit for foreign buyers of U.S. goods. The full report, including the content of the questions asked, was released by the Board on January 7, when the revised guidelines were issued. I will present the highlights and submit a copy for the hearings record.

The key questions asked of banks which accounted for over nine-tenths of loans subject to the guidelines were: (1) had they turned down loans requested on behalf of foreign buyers of U.S. exports because of the guidelines and (2) if so, what then happened to the contemplated sale. An effort was then made to question the exporters involved. As a further check, inquiries were made of a sample of 100 exporters across the country to ascertain their experience in getting U.S. bank financing for foreign customers in the light of the VFCR.

The results of the inquiry were striking. It was reported that the VFCR had resulted in the denial of export credit in only a handful of cases. Moreover, the VFCR had virtually no adverse effects on U.S. exports themselves. About a dozen exporters were purportedly denied credit initially because of the VFCR. However, in almost all cases, they found other sources of financing to complete their sales. (See Table 1.)

As a byproduct of the inquiry on possible effects of the VFCR on exports, our staff undertook another inquiry to ascertain the portion of total loans under VFCR ceilings that financed exports.

The results of this staff study, released March 3, 1971, and which also I submit for the committee's record, showed how banks have employed their lending leeway with respect to exports.

Of loans under VFCR ceilings late last year, 17 per cent were documented export credits. (See Table 2.) Of loans subject to ceilings plus loans exempted from ceilings because they were Eximbank-related or Department of Defense-related, 22 per cent were to finance exports. The staff paper noted many statistical and analytical qualifi-

TABLE 1

SUMMARY OF BANKS' AND EXPORTERS' RESPONSES TO INQUIRY ON THE EFFECTS OF THE VFCR PROGRAM ON EXPORT FINANCING AND ON EXPORTS

Federal Reserve district	Number of banks		Loans rejected		Number of exporters		Export sales completed	Possible net loss of sales (thous. of dollars)	2M—40 Number of exporters [1]		Export sales completed	Net loss of export sales (thous. of dollars)
	Re-sponding	Rejecting loan because of VFCR	Number	Value (thous. of dollars)	Identified	Acknowledging rejection			Re-sponding	Reporting rejections		
1	12	1	1	200	1	1	Yes	0	11	1	Yes	0
2	10	0	0	0	0	0	n.a.	0	73	4	Not all	18,000
3	8	0	0	0	0	0	n.a.	0	4	1	No	1,200
4	10	0	0	0	0	0	n.a.	0	4	0	n.a.	n.a.
5	7	1	1	Unknown	0	0	Unknown	Unknown	....	....	....	....
6	6	1	3	900	2	0	Yes	0	1	0	n.a.	n.a.
7	20	0	0	0	0	0	n.a.	0	12	0	n.a.	n.a.
8, 9	5	0	0	0	0	0	n.a.	0	6	1	Unknown	....
10	4	0	0	0	0	0	n.a.	0	....	....	....	....
11	13	2	4	1,450	2	0	Yes	0	9	1	No	2,000
12	14	2	[2] 2	300	0	0	Unknown	300	9	0	n.a.	n.a.
Total	[3] 109	7	11	2,850	5	1	....	300	129	8	....	21,200

n.a. Not applicable.
.... No response or no figure to be expected.
[1] Exporters not identified initially by banks but drawn from separate sample.
[2] One bank said it rejected many loans, but that it kept no records. This case is listed here as one rejection.
[3] These 109 responses came from 113 commercial banks surveyed. The nonresponding banks all had very few outstanding foreign credits subject to the VFCR.

TABLE 2

EXPORT CREDIT UNDER VFCR CEILINGS AND UNDER EXPORT-IMPORT BANK, FOREIGN CREDIT INSURANCE ASSOCIATION, AND DEPARTMENT OF DEFENSE VFCR EXEMPTIONS

In millions of dollars

Group	Credit subject to VFCR		Exempt credits of EX-IM, FCIA, Dept. of Defense	Col. (2) + Col. (3)	Col. (2) as percentage of Col. (1)	Col. (4) as percentage of Cols. (1)+(3)
	Amount outstanding (1)	Export credit (2)	(3)	(4)	(5)	(6)
All VFCR banks (167)	8,841	....	....	....	....	....
All banks in inquiry (72):	8,208	1,374	628	2,002	17	23
17 largest banks[1]	7,235	1,161	543	1,704	16	22
All others (55)	973	213	85	298	22	28
By Federal Reserve district:						
Boston	156	22	14	35	14	21
New York	4,970	926	397	1,323	19	25
Philadelphia	203	33	11	44	16	21
Cleveland	179	12	21	33	7	17
Richmond	65	30	1	31	46	47
Atlanta	30	2	12	14	7	33
Chicago	822	105	84	189	13	21
St. Louis, Minneapolis, and Kansas City	46	12	7	19	26	36
Dallas	41	19	2	21	46	49
San Francisco	1,696	213	79	292	13	17

[1] Over $100 million in foreign assets.

NOTE.—Sept. 30, 1970, data, except that Aug. 31 data for New York is projected to Sept. 30.

cations, and I stress here that the figures do not purport to be comprehensive or precise. But they are based on banks' records and evaluations. They suggest strongly that banks do have the capacity—within the ceilings—to finance exports.

We have also looked at the record of utilization of Export Term-Loan Ceilings as an indicator of the program's possible effect, if not on exports, on export financing. You will recall that these ceilings were created at the end of 1969 in the aggregate amount of $1¼ billion to provide new leeway for export credits of over-1-year maturity—referred to as term loans. We realize that, in the financing of exports, short-term credits are of greater magnitude than term loans. However, we decided to provide additional lending leeway for term loans to meet the contention that credits of over 1 year were crucial if U.S. exporters were to match the financing terms being offered by exporters in foreign countries.

As of the end of March, 15 months after the Export Term-Loan Ceiling had been made available, banks had used only 17 per cent of it. Even this figure is an inflated indicator of its utilization. If we look also at the figures showing repayments of term loans for exports that banks had granted before the new ceiling became available and compare them with the figures showing new credits of this type placed on their books since that time, we find that outstanding export term loans subject to VFCR ceilings have grown by only $67 million. Aggregating almost $1½ billion today, the Export Term-Loan Ceiling constitutes virtually an unused exemption.

REASONS FOR NOT EXEMPTING EXPORT CREDITS FROM VFCR

If the VFCR has had little adverse effect on exports and if the restraints have not been substantially holding back export credits, why should there be Federal Reserve opposition to the exemption proposed by Title II?

A complete exemption of export credits from the capital restraint effort would weaken—not improve—the over-all U.S. balance of payments program.

First, exemption would lead to an increase, possibly to a large increase, in credit but not to an equivalent increase in exports.

Second, exemption would undermine the effectiveness of the whole set of U.S. capital controls. For example, if export credit were removed from restraint, attention would have to be given to tightening up on other forms of credit to foreigners and other forms of investments overseas. It is highly questionable that we could successfully intensify restraints in various credit areas to compensate for the loss of restraint on export credits.

Finally, there is as much need today—perhaps even more need than ever—to restrain the outflow of funds from the United States. Particularly in the face of our continuing large balance of payments deficit and of the large short-run capital outflows, we should take the greatest care to avoid weakening the stand we have taken, in the common interest, to moderate the flow of U.S. capital into foreign markets. Any relaxation of our capital controls could jeopardize the international monetary cooperation which we have been helping to build.

There is today no shortage of capital to finance foreign purchase of U.S. goods. The Board at no point has denied that the restraints may limit the opportunities of an individual bank to provide export financing. But the fact remains that in the banking system of this country as a whole, including the network of foreign branches of U.S. banks that are outside the guidelines, and in the financing systems available in other countries—particularly in those which have strong balance of payments surpluses—there is adequate credit to ensure the growth of U.S. exports.

For these reasons, Mr. Chairman, the Board does not believe that Title II of H.R. 8181 should be adopted.

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, June 16, 1971.

I appreciate your invitation to present the views of the Board of Governors on legislation to authorize Government guarantees of loans to business in emergencies.

The need for prudent provisions to deal with credit needs in emergency conditions has been newly underscored by developments over the past year or so. Last spring, within a few months after I assumed my present duties, financial markets suffered an erosion of confidence severe enough to cause widespread concern that the country might face a liquidity crisis—a situation in which even creditworthy firms might be unable to borrow the funds they needed to carry on their business.

The sharpest contraction of credit came in the commercial paper market, following the insolvency of the Penn Central Transportation Company, a prominent borrower in that market. Since commercial paper is wholly unsecured, investors backed away from issuers about which there was any question. Concern spread throughout the credit markets, fed by fears that some borrowers might be unable to obtain sufficient credit from alternative sources to refinance maturing commercial paper and thus be forced into bankruptcy. With investors generally becoming more cautious, companies with credit ratings less than Aaa experienced increased difficulty in borrowing through the bond market, as was evidenced by the sharp widening of spreads in the structure of corporate bond yields. In short, there appeared to be a risk of bankruptcies spreading to firms that in other circumstances would be regarded as perfectly sound.

Confronted with an incipient crisis, the Federal Reserve System acted promptly to assure the availability of loanable funds to meet the credit needs of firms that were being squeezed by the contraction of the commercial paper market. First, the System made it clear to member banks that the discount window would be available to assist them in meeting such needs. Second, the Board suspended ceilings on the rates of interest member banks could pay on certificates of deposit of $100,000 or more. In this way banks were placed in a much better position to attract funds to lend to their hard-pressed customers.

These two actions helped to restore confidence, and fear of a liquidity crisis abated. We can all take comfort from the fact that the money and credit markets met the tests of mid-1970 successfully. Looking ahead, however, we need better assurance that temporary liquidity problems of major corporations will not be allowed to damage the national economy.

Traditionally, this country has relied on private financial markets to determine whether credit should be granted or denied. I firmly believe that this is a sound principle, and I am concerned, as I know you are, about how we can preserve this principle and at the same time provide standby authority under which the Government might backstop the private financial markets in emergencies. In authorizing Federal credit assistance, the Congress has understandably concentrated largely on helping homebuyers, small businesses, farmers, and others who will, in ordinary circumstances, need such assistance far more than big businesses do.

In extraordinary circumstances, however, even a large, well-established, and creditworthy enterprise may experience difficulty in obtaining needed credit, and failure to provide that credit could be extremely costly to the general public—in terms of jobs destroyed, income lost, financial markets disrupted, or even essential goods not produced. We should be able to find a way to deal with this problem without injuring the free enterprise system.

In testifying today, it is certainly no part of my purpose to suggest that Congress delay its decision about Lockheed. My aim is rather to recommend that your committee, with Lockheed fresh in mind, address itself to the question of devising more general standards and procedures to govern credit guarantees in possible future emergencies.

The Board believes there are several guiding principles that should be followed in designing such assistance. First, assistance should be offered only to protect the economy against serious injury. I have mentioned the mid-1970 experience as just one example of conditions under which such a need could arise. Whatever the particuar circumstances, assistance should be reserved for those rare instances where it is needed to enable a sound enterprise to continue to furnish goods or services to the public, and where failure to meet that need could have serious consequences for the Nation's output, employment, and finances.

Second, since the assistance is designed to protect the public interest, it follows that it should not be used simply to protect large firms from failure, or to bail out bad management, or to shield creditors or shareholders from the consequences of unwise investments. Guarantees should be a last resort, issued ony when there is reasonable assurance of repayment of the guaranteed loan and when there is no other way to avoid serious injury to the economy. Since any such guarantee would be subject to conditions assuring a preferential status for the Government relative to other creditors or shareholders in the event of insolvency, and since guarantees would be available only in emergencies, the existence of the authority should not in any real sense erode the disciplines of the private enterprise system. Rather, it should be regarded as a kind of insurance policy to protect the general public against a highly specialized risk.

Third, assistance should be provided through Federal guarantees of private loans rather than through outright advances of public funds. Aside from its obvious budget savings, this approach would have the advantage of assuring that experienced private lending officers will administer the loans in accordance with Federal guidelines and supervision.

Fourth, to assure thorough and well-balanced consideration of the need for assistance, responsibility for passing on guarantees should be vested in top Federal officials concerned with over-all economic and financial policy. We suggest that this function be vested in a board chaired by the Secretary of the Treasury, with the Secretary of Commerce and the Chairman of the Board of Governors as members. No permanent staff would be required, since guarantees would be issued only under exceptional circumstances, and staff could be assigned as needed from the governmental units represented on the board. Thus no bureaucracy would be created with an interest in expanding the "program." There would be no "program"—only standby authority, ready for use in the event of need.

Fifth, Congress should be informed in advance of any proposed guarantee, so that it will have an opportunity to review the proposal to the fullest extent consistent with the need for prompt action. A possible model for such a procedure may be found in the Defense Production Act as amended last year. As you will recall, that Act now prohibits guarantees of V-loans in amounts over $20 million without approval of Congress. It also precludes the use of guarantees of loans under that amount to prevent insolvency except under certain conditions, including a certification by the President, transmitted to the Congress at least 10 days in advance. While a $20 million limit would be impractical for purposes of emergency assistance, the certification procedure seems well suited for this purpose. Following that model, a guarantee would be authorized only if the President certifies that it is needed to avoid serious and adverse effects on the economy and a copy of that certification, with a detailed justification, is sent to the Congress and the two banking committees at least 10 days in advance.

These principles are embodied in a bill, S. 2016, submitted by the Board and introduced by your Chairman and Senator Tower. Guarantees outstanding under S. 2016 would be limited to a total of $2 billion. In addition to the conditions I have already mentioned, guarantees could be issued only if the borrower furnished assurances that the loan is not otherwise available on reasonable terms and conditions, if the lender certified that he would not make the loan without the guarantee, and if the loan could not be guaranteed under the Defense Production Act. The bill also provides that fees shall be charged for guarantees and deposited in a fund from which payments required as a consequence of any guarantee are to be made. In the event that amounts in the fund proved insufficient to make such payments, the Secretary of the Treasury would be authorized to obtain the needed funds through public debt transactions.

Since the Federal Reserve System acts as a lender of last resort to financial institutions, principally its member banks, we are sometimes asked whether we could or should perform the same role for nonfinancial enterprises. This question merits at least a brief comment.

The Federal Reserve Act now includes a provision (paragraph 3 of Section 13) that empowers the Board of Governors, in "unusual and exigent circumstances" and by an affirmative vote of at least five members of the Board, to authorize the Federal Reserve Banks to make certain types of direct loans to individuals, partnerships, or corporations.

The purpose of this provision of law, which was enacted in 1932, was to permit Federal Reserve Banks to make short-term loans to enterprises that are creditworthy but are unable to secure adequate credit accommodations because of unfavorable conditions within the financial system. The only loans made under this provision were granted between 1932 and 1936, totaling 123 in number and about $1.5 million in amount.

Paper discounted by Federal Reserve Banks under that paragraph must be of the "kinds and maturities made eligible for discount for member banks under other provisions" of the Federal Reserve Act. This means, among other things, that the paper may not have a maturity of more than 90 days at the time of discount. The paragraph further provides that the paper shall be "indorsed or otherwise secured to the satisfaction of the Federal Reserve Bank," which the Board has construed to mean that a Reserve Bank should ascertain to its satisfaction that the indorsement or the security offered is adequate to protect the Reserve Bank against loss.

In light of these restrictions in the law and the background as to the intent of the law, the Board concluded last year that it would not be appropriate to invoke this authority to authorize extension of Federal Reserve credit to Penn Central. Speaking more broadly, since legislation is needed in any event to assure that adequate authority is available to cope with possible future emergencies, the Board believes that guarantee authority such as provided in S. 2016 would be preferable to direct provision of Federal Reserve credit. We make this recommendation not only because we believe assistance should take the form of a guarantee rather than direct lending, but also because we believe that the Congress, the President, and key administration officials should participate in any decision to extend such assistance.

These are the considerations that lead the Board to recommend enactment of S. 2016. Whatever your decision may be as to the need for immediate action in the case of Lockheed, the Board hopes that you will give the most serious consideration to a longer-range solution such as S. 2016. Experience has convinced the Board that legislation of this type is needed as a protective umbrella for our sensitive economic society.

Statement by Andrew F. Brimmer, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on International Exchange and Payments, of the Joint Economic Committee, June 16, 1971.

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to respond, on behalf of the Federal Reserve Board, to the invitation to report on the Voluntary Foreign Credit Restraint program. It has been almost 2½ years since I last appeared before this subcommittee to perform the same assignment.

The subcommittee asked that I review the positive and negative impacts of the Voluntary Foreign Credit Restraint program—or the VFCR as it is generally known—on the U.S. balance of payments and to discuss the need to maintain this program in the light of prospective balance of payments developments. It also asked for whatever information the Board might have on the activities of U.S. commercial banks in moving large amounts of short-term funds internationally in late April and early May of this year. In general, the subcommittee wanted to know what role U.S. commercial banks played in the capital flows that apparently led German authorities to allow the exchange rate of the Deutsche mark to float. I will deal with these two topics in that order.

THE VOLUNTARY FOREIGN CREDIT RESTRAINT PROGRAM

The Voluntary Foreign Credit Restraint program is essentially a request that U.S. financial institutions restrain their capital outflow by limiting loans to foreigners and the acquisition of investments abroad. The VFCR is part of a Government-wide effort to strengthen the U.S. balance of payments, and it has been in effect since March 1965. The central feature of the program is a set of guidelines issued to U.S. banks and nonbank financial institutions by the Board of Governors. At the beginning of 1968, the Board received by Executive Order authority to make the program mandatory. However, the banks and other financial institutions have generally responded well to the Board's request for their cooperation, and the Board has chosen to keep the program on a voluntary basis.

The program is one of the three sets of restraints on U.S. capital outflow. The other two are: the Interest Equalization Tax (IET, applying to purchases by Americans of foreign stock, bonds, and other equity and debt securities); and the Foreign Direct Investment Program (regulating funds supplied by U.S. corporations to their overseas affiliates). I will not discuss the latter two programs. But I must stress that the VFCR is interrelated with both of these programs, and any assessment of the effects of the VFCR must take into account these relationships.

Each bank and each nonbank financial institution is asked to keep its loan to foreigners and its other investments abroad within limits. Each institution, in making loans and investments under these ceilings, is to give priority to credits that finance U.S. exports and that meet the financing needs of developing countries.

In addition to observing the over-all ceilings, the institutions are asked to observe additional restraints on capital outflow to the developed countries of continental Western Europe and lesser restraints on outflows to developing countries. Exemptions are provided for outflow to Canada and for export credit related to Eximbank financing.

Changes have been made in the program from time to time, but its principal features are today the same as when it was established in early 1965.[1]

EFFECT OF THE VFCR PROGRAM ON THE U.S. BALANCE OF PAYMENTS

There is a substantial body of statistical and other information on which we can draw to ascertain the possible positive and negative impacts of the VFCR on the balance of payments. However, it must be understood that it is impossible to do an exacting assessment because of data deficiencies and analytical problems.

With these limitations in mind, we can focus initially on trends in assets subject to restraint. On December 31, 1964, the base date for calculating the guideline ceilings, total foreign assets held by banks were almost the same as they were on the most recent reporting date: $9,495 million at the end of 1964 for 154 banks, compared to $9,536 million on April 30, 1971, for 169 banks (Table 1, p. 500). As year-end

[1] For the subcommittee's information, a fuller description of the program was submitted in an appendix.

data show, foreign assets subject to VFCR ceilings have fluctuated within a narrow range throughout the period of the program.

The rather stable level of assets subject to the restraints contrasts markedly with the rapid increase in bank-reported holdings of foreign assets in the years immediately preceding the program. In the period 1961–63, U.S. bank claims on foreigners rose from $6.9 billion to $9.0 billion, a gain of about $1 billion each year. This was a period during which interest rates were comparatively low in the United States. In 1964 the level jumped by another $2.4 billion, partly reflecting the fact that the IET had just been imposed but did not yet cover bank lending. Once the VFCR was instituted in the early part of 1965, the rapid rise ceased, and—apart from short-run fluctuations—has not resumed.

The observed trends should not obscure the varying influence of a restrictive U.S. monetary policy on U.S. bank foreign lending. For example, in 1966, aggregate VFCR ceilings were raised, but monetary policy became restrictive. Bank foreign assets declined, and banks at the end of the year had large VFCR lending leeway. In 1967 monetary policy eased, and banks increased their foreign assets. During 1968 the impact of monetary policy varied greatly. However, at the beginning of 1968, there was a tightening of the VFCR and the Department of Commerce Foreign Direct Investment Program. By the end of the year, banks had reduced their foreign assets more than requested under the VFCR. The reduction was probably attributable both to the restraint program and to monetary policy changes. In 1969 and 1970 there were increases in foreign assets subject to restraint. The VFCR ceilings were increased twice during 1969, but a continued restrictive monetary policy and high domestic demand for money in 1969 held down the outflow of bank funds. As monetary policy eased in 1970, there was a large change in the banking sector of the U.S. capital account and banks repaid a large part of their borrowings, but they did not increase their claims on foreigners.

FURTHER IMPACT OF THE VFCR ON CAPITAL FLOWS

One can also get an indirect indication of the possible effect of the VFCR by tracing the behavior of the banks' foreign lending compared to their total lending. Claims on foreigners by U.S. banks would have been about $16.6 billion at the end of 1970—instead of $13.8 billion—if they had grown at the same rate as total domestic loans and investments of reserve city member banks. Moreover, the projected end-of-1970 level probably would have been even higher if we take account of the relatively greater emphasis of U.S. banks on foreign markets. That emphasis has been reflected in part in the rapid establishment of U.S. bank branches and subsidiaries overseas.

The VFCR program has been especially helpful in restraining bank lending to residents of the developed countries of continental Western Europe. Special VFCR restraints apply to these countries: Nonexport term loans are not to be made at all, and short-term nonexport credits are to be kept to within 75 per cent of their end-of-1967 level. Nonexport term loans outstanding to these Western European countries when the subsidiary restraint was introduced in late 1967 have by now been repaid, and no new ones have been granted over the past 3½ years. Short-term, nonexport credits to these countries have been sharply restrained by the subceiling at a level of about one-half billion dollars.

THE VFCR PROGRAM AND EXPORT FINANCING

As members of this subcommittee know, there has been considerable discussion of the treatment of export credits under the

VFCR bank program. Consequently, it might be helpful to focus on the issue at this point. First, the provisions on export credits are of a lesser degree of restraint; in fact, there are virtual exemptions in some cases. Second, the possible impact of the program on exports, as well as on export financing, is an essential element of the evaluation of the balance of payments effects of the program.

In the fall of last year, the Board, with the assistance of the Department of Commerce and the Federal Reserve Banks, conducted a survey of commercial banks and of exporters to determine the possible effects in 1970 of the VFCR on exports and export financing. The survey obtained replies from banks accounting for over nine-tenths of bank foreign lending. The replies were checked in every possible case against the reports of exporters identified by the banks, and another sampling was taken of exporters across the country. The survey indicated that there was no significant loss of exports as the result of the VFCR. In virtually every instance, U.S. exporters were able to obtain adequate financing for their shipments—if not through financing from one U.S. bank, then from another, or from sources abroad.

I submit a copy of the report of the survey for the subcommittee's record.

Earlier, I noted that all banks, as well as all nonbank financial institutions, were asked, in using their ceilings, to give priority to credits that would finance U.S. exports. This priority was established to ensure credit where it is essential to make export sales.

Inquiries were made late last year of banks reporting under the VFCR program, and the Board's staff produced a study which shows how this request for priority treatment has been carried out. The study, the staff noted, is necessarily qualified, since there are limitations on the ability to separate export credit to foreigners from other credit to foreigners and since there are other data problems.

However, it appeared that 16 per cent of banks' holdings of foreign loans subject to the VFCR ceilings are made up of export credits. The export credit figure is 22 per cent if we take both export credits subject to the VFCR ceilings and export credits that are exempt from the ceilings by reason of falling within the exemption that applies to Eximbank-related and Department of Defense-related commercial bank credit. The positions of individual banks vary greatly from these averages. In some cases, banks have no export credits among their loans to foreigners; in other cases, the overwhelming majority of their foreign assets are made up of export credits.

For the subcommittee's information, I submit also a copy of the staff study to which I have referred.

With regard to export credits exempted because they are Eximbank-related, a category which I have mentioned, there has been a notable growth, particularly over the last year or so.

From its earliest days, the program has exempted commercial bank loans to foreigners that have been paralleled by direct credits of the Eximbank, or that have been guaranteed by Eximbank, or that have been insured by Eximbank's affiliate—the Foreign Credit Insurance Association (FCIA). Largely as a result of recent growth in Eximbank activities, commercial bank export credits exempted from the VFCR ceilings have almost doubled since the end of 1969 and now amount to $870 million.

Since early 1968, when Canada was exempted from all U.S. balance of payments programs, there has been a modest increase in the outflow of U.S. bank credit to Canada. One factor tending to limit growth is the relatively low level, at present, of borrowing costs in Canada compared with those in this country. Another is the action taken by

Canadian authorities to prevent Americans from funneling money through Canada to other foreign areas.

The VFCR program has stimulated—and some might say "caused"—an important expansion of U.S. banking activity abroad, including the creation and expansion of branches and subsidiaries of U.S. banks. A foreign branch, without adverse impact on the U.S. balance of payments and therefore without restraint from the guidelines, can lend abroad with funds obtained abroad. Consequently, many banks have established or expanded their facilities overseas. This expansion has been concentrated in the principal financial centers such as London, but it has also occurred in some nontraditional centers—such as Nassau—as well.

It is hard to estimate the full effect, either short-run or long-run, of this development of the U.S. banking system. However, it is clear that the ability of banks to meet the needs of their customers for financial assistance abroad—without restraint from the guidelines—has been substantially ensured.

THE VFCR NONBANK PROGRAM

I will not endeavor in this statement to discuss the implication for our balance of payments of the nonbank portion of the VFCR program, since the bulk of the foreign assets held by nonbank financial institutions, being Canadian and international institution securities, are exempt from the restraints. However, I am submitting information on the nonbank portion of the program in the appendix to my statement.

THE PROGRAM'S CONTRIBUTION TO THE BALANCE OF PAYMENTS

From a review of our experience since early 1965, when the VFCR program was established, we can see that the restraints have been most effective when monetary conditions in the United States have eased. Understandably, following any easing relative to conditions abroad, U.S. financial institutions reassert their interest in placing funds abroad and, conversely, prospective foreign borrowers are attracted by declines of U.S. interest rates and an easing of other credit terms and conditions.

The program has kept an over-all limit on capital outflow through these institutions, with leeway expanding and contracting as monetary conditions here and abroad have changed. U.S. credit has been restrained most with regard to foreign countries which are best able to rely on non-U.S. financial resources, principally the developed countries of continental Western Europe. Institutions have been asked throughout the period to give priority to export credit, and export sales have not been lost because of the partial inclusion of export credit in the program.

Banks have made adjustments compatible with the restraint program so that they can continue to service their customers abroad, particularly the foreign affiliates of American corporations. These adjustments have taken the form largely of new, or expanded, foreign bank branches and the use by those branches of Euro-dollars.

POSSIBLE OFFSETTING "LEAKAGES"

An evaluation of the effectiveness of the VFCR on checking capital outflow must take account, not only of the direct restraining force, but of any negative indirect effects. A gain reflected in one balance of payments account might be offset—partially, wholly, or even more than wholly—by a cost reflected in another balance of payments account. In our judgment, there have been no substantial offsetting losses—or "leakages," as they are sometimes known.

The area we have looked at most carefully has been that of exports. As I have already said, we have carried out extensive investigations to see whether, and, if so, to what extent, there was evidence to substantiate the apprehension and allegation that the restraint on export credit has led to a loss of exports. We found abundant evidence to the contrary. Responses from banks and exporters showed that the VFCR has not caused any significant loss of U.S. exports.

Examination of this and other areas in our international accounts which might reflect offsets to the direct contributions of the VFCR to the balance of payments indicates that these offsets have not been of significant size compared to the balance of payments savings.

ROLE OF U.S. COMMERCIAL BANKS IN RECENT SHORT-TERM CAPITAL FLOWS

I would now like to turn to the subcommittee's question regarding the role of U.S. banks in the international movements of short-term funds during the latter part of April and the first week of May. We have two sets of information on which we can draw: the first source is reports received from banks covered by the VFCR, and the second source is information that can be derived from statistical reports submitted weekly by some banks.

With respect to the VFCR data, the information regularly collected is available through April (Table 1). To obtain data for May, we have prepared a special tabulation covering the 49 largest banks under the program. These data show that in April these reporting banks increased their foreign assets covered by the VFCR by $125 million, of which $26 million was for export term loans. At the end of April, total foreign assets subject to the VFCR for all banks were about as large as they were at the beginning of the year.

Our special tabulation for May showed that the 49 largest banks increased their foreign assets by about $500 million. The reports showed that only six banks had increases of more than $10 million; most banks had little activity, and 16 reduced their foreign assets. In addition, these banks reported an increase of $70 million in foreign claims held for account of their customers—which would include collections on exports—and this too was largely accounted for by a few banks.

Data on foreign assets of banks derived from weekly statistical reports are shown in Table 2 (p. 501). These data reflect a sharp increase in certain foreign assets in the week of May 12, the statement week during which the results of transactions undertaken at the height of market activity would appear in the reports. The increases were as follows (millions of dollars):

Balances with foreign banks	165
Loans to foreign commercial banks	331
Foreign commercial and industrial loans	201
Loans to foreign governments and official institutions	41
	738

There were a number of factors which led to this unusually large rise in foreign assets. Probably most important was the use by foreign banks and other borrowers of the credit lines that had been established with U.S. banks in earlier periods. Drawings on these credit lines may have represented a hedge by the foreign borrowers against exchange rate changes, but since the loans are primarily in dollars they do not represent foreign exchange activity for the U.S. banks involved. The increase in balances held with foreign banks was also unusually large, although it was substantially reversed in the following week. In this case, banks may have been acting both on their own account and in order to be in a position to meet the demands of their customers.

I believe these data help to delineate the role of the banks in the large international capital flows that occurred in late April and early May. However, this is only a limited part of the total flow of capital in that period. While we cannot measure this flow directly, it was evidently large. This conclusion is clearly suggested by changes in reserve assets of major foreign countries. These reserves—as recorded—increased by about $1¼ billion in April and by some $4 billion in May—mainly in the early part of the month.

Although we have tried to put together the data most relevant to your questions, I must emphasize that it will still be some time before we have available the full set of statistical reports with which we can measure all the types of capital flows that enter the balance of payments.

CONCLUDING COMMENT

I would like to conclude by emphasizing again the role of the VFCR and the other restraints on capital outflows under present circumstances. Over the last few months, banks have consumed much of the leeway that they have had under their ceilings, so that the restraints have pressed increasingly on bank outflow of funds. The largest banks, in particular, are just about at their General Ceilings. There is every reason to expect that a significant relaxation or a removal of the guideline restraints at this time would be followed by a substantial outpouring of funds from the United States. □

TABLE 1

FOREIGN ASSETS OF U.S. BANKS SUBJECT TO VFCR CEILINGS

Dollar amounts in millions

Item	End of year							End of month, 1971			
	1964	1965	1966	1967	1968	1969	1970[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.
Number of reporting banks	154	161	148	151	161	169	171	165	165	169	169
General Ceiling:[1]											
Aggregate ceiling	....	9,973	10,407	11,069	9,729	10,092	9,968	9,947	9,914	9,908	9,905
Assets under ceiling[2]	9,495	9,652	9,496	9,865	9,253	9,398	9,353	9,069	9,073	9,174	9,262
Change from previous date	....	+157	−156	+369	−612	+145	−45	−284	+4	+101	+88
Apparent leeway	....	321	911	1,204	476	694	615	878	841	734	643
Export Term-Loan Ceiling:[3]											
Aggregate ceiling	....	....	....	....	....	1,264	1,423	1,431	1,425	1,442	1,442
Assets under ceiling[4]	....	....	....	....	....	16	190	210	218	248	274
Change from previous date	....	....	....	....	....	....	+174	+20	+8	+30	+26
Apparent leeway	....	....	....	....	....	1,248	1,234	1,221	1,206	1,194	1,168
Total General and Export Term-Loan Ceilings:											
Aggregate ceilings	....	9,973	10,407	11,069	9,729	11,356	11,391	11,378	11,339	11,350	11,347
Assets under ceilings	9,495	9,652	9,496	9,865	9,253	9,414	9,543	9,288	9,291	9,422	9,536
Change from previous date	....	+157	−156	+369	−612	+161	+129	−255	+3	+131	+114
Apparent leeway	....	321	911	1,204	476	1,942	1,942	1,849	2,099	1,928	1,811
Total foreign assets held for own account[5]	9,719	9,958	9,844	10,202	9,844	10,158	10,614	10,262	10,285	10,509	10,634
Change from previous date	....	+239	−114	+358	−358	+314	+456	−352	+23	+224	+125

[1] Prior to December 1969, "Target Ceiling."

[2] Total foreign assets reported on Treasury Foreign Exchange Forms B-2 and B-3: *minus* (1) amounts held for accounts of customers; (2) loans guaranteed or participated in by the Export-Import Bank, guaranteed by the Department of Defense, or insured by the FCIA; (3) beginning March 1968, changes after February 29, 1968, in claims on residents of Canada held for own account; and (4) export term loans (maturity over 1 year) placed on banks' books after Nov. 30, 1969, *plus* foreign assets held for own account but not reported on Forms B-2 and B-3.

[3] 0.5 per cent of reporting banks' total assets as of Dec. 31, 1968.

[4] See point (4) of footnote 2.

[5] Total foreign assets reported on Treasury Foreign Exchange Forms B-2 and B-3, plus foreign assets held for own account not reported on those forms, minus amounts held for account of customers.

NOTE.—Data are latest available as of June 3, 1971.

TABLE 2

SELECTED FOREIGN ASSETS OF U.S. BANKS REPORTED WEEKLY, MARCH-JUNE 1971

In millions of dollars

Item		March					April				May				June
		3	10	17	24	31	7	14	21	28	5	12	19	26	2
Loans to foreign commercial banks	Amt.	1,504	1,507	1,450	1,395	1,338	1,451	1,474	1,412	1,488	1,384	1,715	1,861	1,866	1,750
	Chg.		+3	−57	−55	−57	+113	+23	−62	+76	−104	+331	+146	+5	−116
Foreign commercial and industrial loans	Amt.	2,420	2,462	2,517	2,525	2,549	2,475	2,487	2,464	2,535	2,480	2,681	2,665	2,703	2,826
	Chg.		+42	+55	+8	+24	74	+12	−23	+71	−55	+201	−16	+38	+123
Balances with foreign banks	Amt.	381	464	476	508	430	531	546	539	585	535	700	563	544	601
	Chg.		+83	+12	+32	−78	+101	+15	−7	+46	−50	+165	−137	−19	+57
Total	Amt.	4,305	4,433	4,443	4,428	4,317	4,457	4,507	4,415	4,608	4,399	5,096	5,089	5,113	5,177
	Chg.		+128	+10	−15	−111	+140	+50	−92	+193	−209	+697	−7	+24	+64
Loans to foreign governments and official institutions	Amt.	760	762	757	789	783	770	802	786	805	767	808	800	814	836
	Chg.		+2	−5	+32	−6	−13	+32	−16	+19	−38	+41	−8	+14	+22
Total	Amt.	5,065	5,195	5,200	5,217	5,100	5,227	5,309	5,201	5,413	5,166	5,904	5,889	5,927	6,013
	Chg.		+130	+5	+17	−117	+127	+82	−108	+212	−247	+738	−15	+38	+86

SOURCE.—Loans to and balances with foreign banks and loans to foreign governments and official institutions are Weekly Condition Report data; foreign commercial and industrial loans are from weekly (Federal Reserve) commercial and industrial loans series; data for May 26 and June 2 are preliminary.

Record of Policy Actions

of the Federal Open Market Committee

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

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

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

Records of policy actions have been published regularly in the BULLETIN beginning with the July 1967 issue, and such records have continued to be published in the Board's Annual Reports.

The records for the first two meetings held in 1971 were published in the BULLETINS for April, pages 320–27, and May, pages 391–98. The record for the meeting held on March 9, 1971, follows:

MEETING HELD ON MARCH 9, 1971

1. Authority to effect transactions in System Account.

Revised official estimates indicated that real output of goods and services had declined at an annual rate of 3.9 per cent in the fourth quarter of 1970. It appeared that real GNP would rise substantially in the current quarter, largely as a result of the recovery of production in the automobile industry following settlement in late November of the strike at a major producer.

According to preliminary indications industrial production declined slightly in February, following 2 months of advance, as further increases in output of motor vehicles and steel were more than offset by continued reductions in output of business and defense equipment. Employment also declined in February, but because there was an even larger decline in the labor force the unemployment rate edged down to 5.8 from 6.0 per cent in January. Weekly data suggested that retail sales had risen in February at both automobile dealers and other types of stores. Apart from autos, however, it appeared that average retail sales in January and February were little changed from the fourth quarter. In January private housing starts fell sharply—reversing the unusually large increase of the previous month—but they remained at a high level.

Recent movements in major price indexes had been diverse. Average wholesale prices rose substantially from mid-January to mid-February, as a result of a marked increase in prices of farm products and foods; prices of industrial commodities rose less than in most other recent months. In January the advance in the consumer price index moderated from the sharp December increase. Meanwhile, wage rates continued to rise rapidly in most sectors of the economy.

Staff projections suggested that growth in real GNP would slow in the second quarter from its current high rate, mainly because the post-strike recovery in the automobile industry would no longer be providing unusual stimulus to consumer and business spending on autos and trucks. In addition, defense outlays were expected to decline. On the other hand, it seemed likely that residential construction expenditures and State and local government outlays would continue to rise at substantial rates, and that the stockpiling of steel in anticipation of a possible strike in that industry in August—which already was making an appreciable contribution to over-all business investment in inventories—would increase in importance. Also, it was expected that some strength would be imparted to consumer spending by payments late in the quarter of an anticipated increase in social security benefits retroactive to the beginning of the year.

The U.S. foreign trade surplus narrowed further in January, extending the trend begun in mid-1970. The chief factor in the deterioration was a sharp rise in the total value of imports. The over-all balance of payments in the January–February period continued very heavily in deficit on the official settlements basis. On the liquidity basis the deficit was at a rate much larger than in the second half of 1970, reflecting for the most part adverse capital flows stemming from the wide differentials between short-term interest rates in the United States and abroad.

Short-term interest rates in Britain had risen since the beginning of the year, and rates in Germany had fallen less than U.S. rates and Euro-dollar rates. Largely in consequence of interest rate differences, the dollar was at the floor against nearly all major currencies in the exchange markets in February. The Bank of Canada reduced its discount rate by ¼ percentage point in mid-February and by a further ½ point, to 5¼ per cent, effective February 24. On February 26, the Export-Import Bank offered an additional \$½ billion of special securities to overseas branches of U.S. banks, for payment March 3.

In domestic financial markets short-term interest rates had continued to decline in recent weeks. For example, the market rate on 3-month Treasury bills, at 3.32 per cent on the day before this meeting, was 50 basis points below its level 4 weeks earlier. Discount rates at Federal Reserve Banks were reduced by another quarter of a percentage point, to 4¾ per cent, effective February 13 (February 19 for the New York Reserve Bank), and commercial banks lowered their prime lending rate again, from 6 to 5¾ per cent, effective February 16. Further declines also had been recorded recently in bank offering rates on large-denomination CD's and in rates on commercial and finance company paper.

In contrast, yields on new issues of corporate and municipal bonds

—which also had been declining earlier—turned up in early February and rose considerably over the course of the following weeks. These yield increases reflected the continuing very heavy calendar of new offerings—particularly of corporate bonds—and apparently also a growing belief among investors that long-term interest rates were at or near their cyclical lows. Yields rose only slightly on long-term Treasury bonds and they moved down on intermediate-term Treasury issues, in part because of sizable purchases of such securities by the Federal Reserve.

Interest rates on residential mortgages declined further in February in secondary markets for federally insured loans, and on February 18 the ceiling rate on such loans was reduced by administrative action from 7½ to 7 per cent—the third half-point cut in 3 months. Deposit inflows at nonbank thrift institutions, which had reached extraordinarily high rates in January, continued large in the first half of February.

At commercial banks the rate of growth in consumer-type time and savings deposits was exceptionally rapid in February, but the expansion in large-denomination CD's slowed somewhat further. The volume of business loans outstanding (including loans that had been sold to affiliates) increased substantially, following a moderate rise in January and declines in the four preceding months. Banks again made sizable additions to their holdings of securities.

Total bank credit, as measured by the adjusted proxy series—daily-average member bank deposits, adjusted to include funds from nondeposit sources—increased considerably further on the average in February. Sharp increases also were recorded for two key measures of the money stock—M_1, defined as private demand deposits plus currency in circulation, and M_2, defined as M_1 plus commercial bank time deposits other than large-denomination CD's. For all of these aggregates the growth rates in February exceeded those expected at the time of the preceding meeting of the Committee. For both of the money stock series, however, earlier estimates of the increase in January had been revised downward somewhat, and for M_1 the February expansion followed a number of months in which growth had fallen well short of Committee expectations. The strength of the aggregates in February appeared to be related to the step-up in the growth of business loans at banks and, more generally, to the first-quarter bulge in economic activity in the aftermath of the auto strike.

System open market operations had been directed at achieving somewhat easier conditions in the money market shortly after the February 9 Committee meeting, when revised data for late January and tentative estimates for early February suggested that both M_1 and M_2 were growing less rapidly than desired. Subsequently, however, new data becoming available indicated that these aggregates were currently expanding at rates at or above those desired, and operations were directed at maintaining prevailing conditions. The Federal funds rate fluctuated rather widely during the period, but most recently it had averaged about 3½ per cent, compared with the average of about 3¾ per cent that had prevailed shortly before the February 9 meeting. In recent weeks needs for reserves had been met to an important extent by System purchases of intermediate- and long-term Treasury securities.

Staff analysis suggested that, if prevailing money market conditions were maintained, both M_1 and M_2 would expand considerably less in March than they had in February, and that over the first quarter as a whole they would grow at annual rates of about 7 and 16 per cent, respectively. The adjusted bank credit proxy was projected to continue upward in March at a pace close to that of February, and to increase at about a 12 per cent annual rate over the first quarter. It was noted that, while the outlook for the monetary aggregates in the second quarter was highly uncertain at this juncture, present indications suggested that M_1 would grow more rapidly than in the first quarter if money market conditions remained unchanged, and that M_2 and the proxy series would grow a little less rapidly.

In the Committee's discussion considerable concern was expressed about the recent sharp increases in corporate and municipal bond yields, and the members agreed that it would be desirable to accommodate renewed declines in long-term interest rates generally. At the same time, there was widespread sentiment to the effect that further sizable declines in short-term interest rates would not serve a useful purpose. Indeed, in light of the expected growth rates in the monetary and credit aggregates and the recent large capital outflows, a number of members thought that some modest increase in short-term rates would be desirable if—as they considered likely—such a development would not be inconsistent with a downdrift in long-term rates. However, other members believed that any significant rise in short-term rates at this time would risk putting upward pressure on long-term rates.

The members also expressed diverse views about the emphasis that should be placed on the behavior of the monetary and credit aggregates in making open market operating decisions during coming weeks, and about the appropriate rates of growth in the aggregates over the months ahead. In the latter connection, some members expressed concern about the relatively high growth rates projected by the staff for the period through the second quarter on the assumption of unchanged money market conditions, and especially about the acceleration anticipated in M_1. Others, however, stressed the uncertainties attached to the projections for the later months of the period covered and indicated that they were not disturbed by the near-term outlook for the aggregates—particularly in light of the shortfalls in M_1 experienced in other recent months.

At the conclusion of the discussion the Committee decided that open market operations at present should be directed at maintaining prevailing money market conditions while accommodating any downward movements in long-term interest rates. A proviso was added calling for modification of money market conditions if during coming weeks the monetary and credit aggregates appeared to be deviating widely from the growth paths consistent with the first-quarter rates of expansion cited above. Specifically, money market rates were to be increased somewhat if the aggregates were rising considerably faster than expected, but in light of recent declines in such rates they were to be shaded down only slightly if growth were markedly below expectations. The Committee also agreed that its objectives for interest rates would be served if, to the extent feasible, needs to supply reserves continued to be met by purchases of longer-term Treasury securities.

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

> The information reviewed at this meeting suggests that real output of goods and services, which declined in the fourth quarter of 1970, is rising in the current quarter primarily because of the resumption of higher automobile production. Although the unemployment rate has edged down recently, it remains high. Wage rates

in most sectors are continuing to rise at a rapid pace. Movements in major price measures have been diverse; most recently, the rate of advance moderated for consumer prices and wholesale prices of industrial commodities, but wholesale prices of farm products and foods rose sharply. Bank credit increased considerably further in February, as business loans strengthened substantially and banks again made sizable additions to their holdings of securities. The money stock both narrowly and broadly defined expanded sharply in February. Short-term interest rates and mortgage rates have fallen further in recent weeks but yields on new issues of corporate and municipal bonds have risen considerably, in part as a result of the very heavy calendar of offerings. The over-all balance of payments deficit in January and February was exceptionally large. Imports increased more rapidly than exports in January, and capital outflows have been stimulated by widened short-term interest rate differentials. In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to the resumption of sustainable economic growth, while encouraging an orderly reduction in the rate of inflation and the attainment of reasonable equilibrium in the country's balance of payments.

To implement this policy, System open market operations until the next meeting of the Committee shall be conducted with a view to maintaining prevailing money market conditions while accommodating any downward movements in long-term rates; provided that money market conditions shall be modified if it appears that the monetary and credit aggregates are deviating significantly from the growth paths expected.

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

2. Amendment to authorization for System foreign currency operations.

On recommendation of the Special Manager of the System Open Market Account the Committee amended paragraph 3 of the authorization for System foreign currency operations to authorize the purchase of currencies to be used for the liquidation of System swap commitments from the foreign central bank drawn on, at the same exchange rate as that employed in the drawing to be liquidated. Prior to this amendment, the paragraph had specified that unless otherwise expressly authorized by the Committee all transactions in foreign currencies undertaken under paragraph 1(A) of the authorization should be at prevailing market rates. As a result of this action, paragraph 3 read as follows:

> 3. Currencies to be used for liquidation of System swap commitments may be purchased from the foreign central bank drawn on, at the same exchange rate as that employed in the drawing to be liquidated. Apart from any such purchases at the rate of the drawing, all transactions in foreign currencies undertaken under paragraph 1(A) above shall, unless otherwise expressly authorized by the Committee, be at prevailing market rates and no attempt shall be made to establish rates that appear to be out of line with underlying market forces.

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

Discussions had been under way recently with certain central banks in the System's swap network regarding the possibility of using new procedures in connection with the liquidation of System swap drawings in cases in which it was necessary to obtain the foreign currency required for liquidation by purchasing it directly from the central bank drawn on. It had been noted that both parties were exposed to a risk of loss if such transactions could be made only at the rate prevailing in the foreign exchange market at the time of repayment, and that such risks could be avoided if it were understood in advance that the currency could be purchased from the foreign central bank at the same exchange rate as that employed in the drawing to be liquidated. The Committee concurred in the judgment of the Special Manager that it would be appropriate to enter into such understandings with foreign central banks at the time a System drawing was made if the foreign bank were agreeable. It was specified that such understandings should not preclude Federal Reserve repayment of swap drawings on or before maturity through purchase of the foreign currency required at market rates in the foreign exchange market or elsewhere.

3. Review of continuing authorizations.

This being the first meeting of the Federal Open Market Committee following the election of new members from the Federal Reserve Banks to serve for the year beginning March 1, 1971, and their assumption of duties, the Committee followed its customary practice of reviewing all of its continuing authorizations and directives. The action taken with respect to the authorization for System foreign currency operations has been described in the preceding portion of the record for this date. Except for the change resulting from that action, the Committee reaffirmed the authorization, and also the foreign currency directive and the continuing authority directive with respect to domestic open market operations, in the form in which they were outstanding at the beginning of the year 1971.

> Votes for these actions: Messrs. Burns, Hayes, Brimmer, Clay, Daane, Kimbrel, Maisel, Mayo, Mitchell, Morris, Robertson, and Sherrill. Votes against these actions: None.

In connection with the review of the continuing authority directive for domestic operations, the Committee took special note of paragraph 3, which authorized the Reserve Banks to engage in lending of U.S. Government securities held in the System Open Market Account under such instructions as the Committee might specify from time to time. That paragraph had been added to the directive on October 7, 1969, on the basis of a judgment by the Committee that in the existing circumstances such lending of securities was reasonably necessary to the effective conduct of open market operations and to the effectuation of open market policies, and on the understanding that the authorization would be reviewed periodically. At this meeting the Committee concurred in the judgment of the Manager of the System Open Market Account that the lending activity in question remained necessary and, accordingly, that the authorization should remain in effect subject to periodic review.

Law Department

Statutes, regulations, interpretations, and decisions

INTEREST ON DEPOSITS

By Act approved May 18, 1971 (Public Law 92-15), Congress extended until June 1, 1973, the flexible authority of the Board, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board in regulating the maximum rates of interest or dividends payable by insured banks and savings and loan associations on deposits or share accounts. Congress earlier this year had extended the authority until June 1, 1971, by Joint Resolution approved March 31, 1971 (Public Law 92-8).

BANK HOLDING COMPANIES

The Board of Governors has amended section 222.4(a), (b), and (c) of Regulation Y, "Bank Holding Companies", effective June 15, 1971, as the initial implementation of its regulatory authority with respect to nonbanking activities of bank holding companies under section 4(c)(8) of the Bank Holding Company Act, as amended by the 1970 Amendments. An accompanying interpretation was issued by the Board expressing its views on several questions that arose during the course of its consideration of this matter. Subparagraph (8) of section 222.4(a), added effective July 1, 1971, embodies the Board's determination regarding data processing as closely related to banking; a paragraph was added to the interpretation to clarify the Board's views on this matter.†

The Board has also added section 222.4(e), effective July 1, 1971, with respect to acquisitions by holding companies under section 4(c)(5) of the Act of shares of the kinds eligible for investment by national banks. The text of the amendments and interpretation read as follows:

† In connection with these actions, the Board approved Form F.R. Y-4, Application for Prior Approval of an Acquisition Pursuant to Section 4(c)(8) of the Bank Holding Company Act; Form F.R. Y-4A, Form for Publication of Notice of Proposed Nonbanking Activities to be Engaged in by a Bank Holding Company De Novo; and Form F.R. Y-4B, Form for Publication of Notice of Proposed Acquisition of Shares by Bank Holding Company of Going Concern Engaged in Nonbanking Activities. Copies of these forms are available at all Federal Reserve Banks.

AMENDMENTS TO REGULATION Y

Effective June 15, 1971, section 222.4(a), (b), and (c) is amended, and effective July 1, 1971, subparagraph (8) is added to section 222.4(a) and paragraph (e) is added to section 222.4 as set forth below:

SECTION 222.4—NONBANKING ACTIVITIES

(a) **Activities closely related to banking or managing or controlling banks.** In accordance with the procedures set forth in paragraphs (b) and (c) of this section, any bank holding company may engage, or retain or acquire an interest in a company that engages, solely in one or more of the activities specified below, including such incidental activities as are necessary to carry on the activities so specified. Any bank holding company that is of the opinion that other activities in the circumstances surrounding a particular case are closely related to banking or managing or controlling banks may file an application in accordance with the procedures set forth in paragraph (b)(2). As to such an application, the Board will publish in the Federal Register a notice of opportunity for hearing only if it believes that there is a reasonable basis for the holding company's opinion. The following activities have been determined by the Board to be so closely related to banking or managing or controlling banks as to be a proper incident thereto:

(1) making or acquiring, for its own account or for the account of others, loans and other extensions of credit (including issuing letters of credit and accepting drafts), such as would be made, for example, by a mortgage, finance, credit card, or factoring company; *

* Operating a savings and loan association is not regarded by the Board as within the description of this activity. Whether to propose expanding activity (2) to include operating that type of financial institution is under consideration by the Board.

(2) operating as an industrial bank, Morris Plan bank, or industrial loan company, in the manner authorized by State law so long as the institution does not both accept demand deposits and make commercial loans;

(3) servicing loans and other extensions of credit for any person;

(4) performing or carrying on any one or more of the functions or activities that may be performed or carried on by a trust company (including activities of a fiduciary, agency, or custodian nature), in the manner authorized by State law so long as the institution does not both accept demand deposits and make commercial loans; **

(5) acting as investment or financial adviser, including (i) serving as the advisory company for a mortgage or a real estate investment trust and (ii) furnishing economic or financial information; **

(6) leasing personal property and equipment, or acting as agent, broker, or adviser in leasing of such property, where at the inception of the initial lease the expectation is that the effect of the transaction and reasonably anticipated future transactions with the same lessee as to the same property will be to compensate the lessor for not less than the lessor's full investment in the property;

(7) making equity and debt investments in corporations or projects designed primarily to promote community welfare, such as the economic rehabilitation and development of low-income areas.***

(8)(i) providing bookkeeping or data processing services for the internal operations of the holding company and its subsidiaries and (ii) storing and processing other banking, financial, or related economic data, such as performing payroll, accounts receivable or payable, or billing services.

(b)(1) **De novo entry.** A bank holding company may engage *de novo* (or continue to engage in an activity earlier commenced *de novo*) directly or indirectly, solely in activities described in paragraph (a), 45 days after the company has furnished its Reserve Bank with a copy of a notice of the proposal (in substantially the same form as F.R. Y-4A) published within the preceding 30 days in a newspaper of general circulation in the communities to be served, unless the company is notified to the contrary within that time or unless it is permitted to consummate the transaction at an earlier date on the basis of exigent circumstances of a particular case. If adverse comments of a substantive nature are received by the Reserve Bank within 30 days after the company has so published its proposal,[1] or if it otherwise appears appropriate in a particular case, the Reserve Bank may inform the company that (i) the proposal shall not be consummated until specifically authorized by the Reserve Bank or by the Board or (ii) the proposal should be processed in accordance with the procedures of subparagraph (2).

(2) **Acquisition of going concern.** A bank holding company may apply to the Board to acquire or retain the assets of or shares in a company engaged solely in activities described in paragraph (a) by filing an application with its Reserve Bank (Form F.R. Y-4). Every such application shall be accompanied by a copy of a notice of the proposal (in substantially the same form as F.R. Y-4B) published within the preceding 30 days in a newspaper of general circulation in the communities to be served. The Board will publish in the Federal Register notice of any such application and will give interested persons an opportunity to express their views (including, where appropriate, by means of a hearing) on the question whether performance of the activity proposed by the holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.

(c) **Tie-ins, alterations, relocations, consolidations.** Except as otherwise provided in an order in a particular case, the following conditions shall apply with respect to every acquisition consummated or activity engaged in on the authority of § 4(c)(8) of the Act: (1) the provision of any

** Acting as investment adviser to an open-end investment company or as a management consultant is not regarded by the Board as within the description of this activity. Whether to propose expanding activity (5) to include acting in either or both of those capacities is under consideration by the Board.

*** Investing in an industrial development corporation is not regarded by the Board as within the description of this activity. Whether to propose adding that and other activities to the list is under consideration.

[1] If a Reserve Bank decides that adverse comments are not of a substantive nature, the person submitting the comments may request review by the Board of that decision in accordance with the provisions of § 265.3 of the Board's Rules Regarding Delegation of Authority (12 CFR 265.3) by filing a petition for review with the Secretary of the Board.

credit, property or services involved shall not be subject to any condition which, if imposed by a bank, would constitute an unlawful tie-in arrangement under section 106 of the Bank Holding Company Act Amendments of 1970; (2) the activities involved shall not be altered in any significant respect from those considered by the Board in making the determination, nor provided at any location other than those described in the notice published with respect to such determination, except upon compliance with the procedures of paragraph (b) (1); and (3) no merger, or acquisition of assets other than in the ordinary course of business, to which the acquired company is a party shall be consummated without prior Board approval, if thereafter the bank holding company will continue to own, directly or indirectly, more than five per cent of the voting shares of such company or its successor.

* * * * *

(c) **Activities of companies in which national banks may invest.** No bank holding company or subsidiary thereof that is not a bank or subsidiary of a bank may, after June 30, 1971, acquire shares on the basis of § 4(c)(5) of the Act unless such shares are of the kinds and amounts explicitly eligible by Federal statute for investment by a national bank. A national bank or a subsidiary thereof may acquire or retain shares on the basis of § 4(c)(5) in accordance with the rules and regulations of the Comptroller of the Currency. So far as Federal law is concerned, a State-chartered bank or a subsidiary thereof may (1) acquire or retain shares on the basis of § 4(c)(5) if such shares are of the kinds and amounts explicitly eligible by Federal statute for investment by a national bank and (2) acquire or retain all (but, except for directors' qualifying shares, not less than all of the shares of a company that engages solely in activities in which the parent bank may engage, at locations at which the bank may engage in the activity, and subject to the same limitations as if the bank were engaging in the activity directly.

INTERPRETATION OF REGULATION Y

ACTIVITIES CLOSELY RELATED TO BANKING

Effective June 15, 1971, the Board of Governors has amended § 222.4(a) of Regulation Y to implement its regulatory authority under § 4(c)(8) of the Bank Holding Company Act. In some respects activities determined by the Board to be closely related to banking are described in general terms that will require interpretation from time to time. The Board's views on some questions that have arisen are set forth below.

Subsidiary engaging in activities on basis of more than one exemption. Section 222.4(a) states that a company whose ownership by a bank holding company is authorized on the basis of that section may engage solely in specified activities. That limitation refers only to activities the authority for which depends on § 4(c)(8) of the Act. It does not prevent a holding company from establishing one subsidiary to engage, for example, in activities specified in § 222.4(a) and also in activities that fall within the scope of § 4(c)(1)(C) of the Act—the "servicing" exemption.

Activities approved prior to 1970 amendments. The amendments to § 222.4(a) do not apply to restrict the activities of a company previously approved by the Board on the basis of § 4(c)(8) of the Act. Activities of a company authorized on the basis of § 4(c)(8) either before the 1970 Amendments or pursuant to the amended § 222.4(a) may be shifted in a corporate reorganization to another company within the holding company system without complying with the procedures of § 222.4(b), as long as all the activities of such company are permissible under one of the exemptions in § 4 of the Act.

Leasing activities. Permissible leasing activities are limited to transactions where the lease is the functional equivalent of an extension of credit to the lessee. Accordingly, a company may engage in leasing under § 222.4(a) if, at the time of the acquisition of the property by the lessor, there is a lease agreement that will yield a return from (1) rentals, (2) estimated salvage value at the end of the minimum useful life allowed by the Internal Revenue Service, and (3) estimated tax benefits (investment tax credit and tax deferral from accelerated depreciation) that would result in full recovery of the lessor's acquisition cost. The Board understands that by law some municipal corporations may not enter into a lease for a period in excess of one year. Such an impediment does not disqualify a company authorized under § 222.4(a) from entering into a lease with the municipality if the company reasonably anticipates that the municipality will renew the lease annually until such time as the company is fully compensated for its investment in the leased property. A company authorized under § 222.4(a) may also engage in so-called "bridge" lease financing where the lease is short term pending completion of long-term financing, by the same or another lender.

Community projects. The authority of holding companies under § 222.4(a) to invest in corporations designed to promote the welfare of their community is intended to permit holding companies to fulfill their civic responsibilities. Under that authority a holding company may invest in community development corporations established pursuant to Federal or State law. It may also participate in other civic projects, such as a municipal parking facility sponsored by a local civic organization as a means to promote greater use by the public of the community's facilities. It does not, however, authorize investments (for example, ownership of an apartment complex) that are entered into to a substantial extent for profit even though to some extent the investment will benefit the community.

Relocation of activities. Under the procedures in § 222.4(c), a holding company that wishes to change the location at which it engages in activities authorized pursuant to § 222.4(a) must publish notice in a newspaper of general circulation in the community to be served. The Board does not regard minor changes in location as within the coverage of that requirement. A move from one site to another within a one mile radius would constitute such a minor change if the new site is in the same State.

Data processing. The authority of holding companies under § 222.4(a) to engage in data processing activities is intended to permit holding companies to process, by means of a computer or otherwise, data for others of the kinds banks have processed, by one means or another, in conducting their internal operations and accommodating their customers. It is not intended to permit holding companies to engage in automated data processing activities by developing programs either upon their own initiative or upon request, unless the data involved are financially oriented. The Board regards as incidental activities necessary to carry on the permissible activities in this area the following: (i) making excess computer time available to anyone so long as the only involvement by the holding company system is furnishing the facility and necessary operating personnel; (ii) selling a byproduct of the development of a program for a permissible data processing activity; and (iii) furnishing any data processing service upon request of a customer if such data processing service is not otherwise reasonably available in the relevant market area.

RULES REGARDING DELEGATION OF AUTHORITY

In connection with the recent amendments to Regulation Y, the Board of Governors has amended its Rules Regarding Delegation of Authority to delegate to the Reserve Banks (1) authority to determine when to delay, or permit expedition of, an acquisition under section 4(c)(12) of the Bank Holding Company Act and section 222.4(d) of Regulation Y, and (2) authority to permit holding companies to engage *de novo* in activities the Board has determined to be closely related to banking.

The delegation is reflected in subparagraphs (19), (20), and (21), of section 265.2(f) of the Board's Rules Regarding Delegation of Authority. The text of the amendments is set forth.

AMENDMENTS

Section 265.2(f) is amended by adding subparagraph (19), effective May 21, 1971, and subparagraphs (20) and (21), effective June 15, 1971, as set forth below:

SECTION 265.2—SPECIFIC FUNCTIONS DELEGATED TO BOARD EMPLOYEES AND FEDERAL RESERVE BANKS

* * * * *

(f) **Each Federal Reserve Bank** is authorized, as to member banks or other indicated organizations headquartered in its district:

* * * * *

(19) Under § 222.4(d) of this Chapter (Regulation Y),

(i) to notify a bank holding company that has informed it of a proposed acquisition of a going concern that, because the circumstances surrounding the application indicate that additional information is required or that the acquisition should be considered by the Board, the acquisition should not be consummated until specifically authorized by the Reserve Bank or by the Board.

(ii) to permit a bank holding company that has informed it of a proposed acquisition of a going concern to make the acquisition before the expiration of the 45-day period referred to in that paragraph, because exigent circumstances justify consummation of the acquisition at an earlier time.

(20) Under § 222.4(b)(1) of this Chapter (Regulation Y), and subject to § 265.3 if a person submitting adverse comments that the Reserve Bank has decided are not substantive files a petition for review by the Board of that decision,

(i) to permit a bank holding company that has furnished it with a copy of a duly published notice of a proposal to engage *de novo* in activities specified in § 222.4(a) (or retain shares in a company established *de novo* and engaging in such activities) if its evaluation of the considerations specified in § 4(c)(8) of the Bank Holding Company Act leads it to conclude that the proposal can reasonably be expected to produce benefits to the public.

(ii) to notify a bank holding company that has furnished it with a duly published notice of the kind described in clause (i) that the proposal should not be consummated until specifically authorized by the Reserve Bank or by the Board or that the proposal should be processed in accordance with the procedures of § 222.4(b)(2).

(iii) to permit a bank holding company that has furnished it with a duly published notice of the kind described in clause (i) to consummate the proposal before the expiration of the 45-day period referred to in § 222.4(b)(1), because exigent circumstances justify consummation at an earlier time.

(21) Under § 222.4(c)(2) of this Chapter (Regulation Y) to permit or stay a proposed *de novo* modification or relocation of activities engaged in by a bank holding company on the same basis as *de novo* proposals under the preceding subparagraph (20).

ORDERS UNDER BANK MERGER ACT

COMMERCIAL TRUST COMPANY OF NEW JERSEY, JERSEY CITY, NEW JERSEY

In the matter of the application of Commercial Trust Company of New Jersey, Jersey City, New Jersey, for approval of acquisition of assets and assumption of liabilities of Bergen County National Bank of Hackensack, Hackensack, New Jersey.

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

There has come before the Board of Governors, pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), an application by Commercial Trust Company of New Jersey, Jersey City, New Jersey ("Commercial Trust"), a member State bank of the Federal Reserve System, for the Board's prior approval of the merger of that bank with Bergen County National Bank of Hackensack, Hackensack, New Jersey ("Bergen Bank"), by means of the purchase of assets and assumption of liabilities of Bergen Bank; as an incident to the merger, the present office of Bergen Bank would become a branch of Commercial Trust. Notice of the proposed merger, in form approved by the Board, has been published as required by said Act.

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

Commercial Trust ($175 million deposits) operates six offices in Jersey City and five additional offices elsewhere in Hudson County. During 1970 Commercial Trust opened three branch offices in Bergen County. The principal area served by Commercial Trust is Jersey City and the southeastern part of Hudson County from which it derives over 90 per cent of its deposits, and wherein it ranks as the second largest of the 12 area banks, controlling approximately 17 per cent of area deposits. (All banking data are as of June 30, 1970.)

Bergen Bank ($24 million deposits) maintains its sole office, and is the smallest of four banks, in the City of Hackensack (Bergen County). Commercial Trust holds 5.5 per cent of the deposits in the combined Hudson-Bergen County area. Its share of such deposits would increase to 6.3 per cent upon consummation of the proposed merger. Approval of the proposed transaction would not increase substantially the concentration of banking resources in any area.

The competitive effect of this proposal would be confined principally to the City of Hackensack. Commercial Trust has recently opened three offices in Bergen County that are situated 9, 7, and 5 miles from Hackensack in areas which serve mainly as a base for those who commute to New York City for employment. Neither Bergen Bank nor Commercial Trust derives any significant portion of its business from the areas served by the other bank, and the banks serve essentially separate banking markets. Consequently, there is no substantial existing competition between Commercial Trust and Bergen Bank. Moreover, it does not appear that significant potential competition would be eliminated by consummation of this proposal since under the home office protection afforded by State Law Commercial Trust could not be permitted to branch *de novo* into the City of Hackensack. Bergen Bank is not an aggressive competitor to the three larger Hackensack banks, and consummation of this merger could serve to enhance the ability of the resulting banking office to compete in the area.

On the basis of the foregoing, the Board concludes that consummation of the proposal would not eliminate significant existing or potential competition. Considerations pertaining to the financial and managerial resources and future prospects of the banks are consistent with approval of the application. Although the banking needs of the residents of Hackensack are being adequately served at the present time by many banking offices of large organizations, it appears that the proposed acquisition would replace a conservatively operated institution with a more aggressive competitor in the Hackensack area, enlarge present services offered to Bergen Bank's customers, and provide another source of specialized services now being offered only by the larger Hackensack banks. Therefore, convenience and needs considerations are consistent with and lend some support to approval of the application. It is the Board's judgment that consummation of the proposed merger would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, On the basis of the findings summarized above, that said application be and hereby is approved, provided that the merger so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors, May 13, 1971.

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

(Signed) ELIZABETH L. CARMICHAEL,
Assistant Secretary.

[SEAL]

TRUST COMPANY OF GEORGIA, ATLANTA, GEORGIA

In the matter of the application of Trust Company of Georgia, Atlanta, Georgia, for approval of acquisition of assets and assumption of liabilities of Peachtree Bank and Trust Company, Chamblee, Georgia.

ORDER ON PETITION FOR RECONSIDERATION

On February 22, 1971, the Board of Governors issued an Order pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), approving an application by Trust Company of Georgia, Atlanta, Georgia, for prior approval of the merger of Trust Company with Peachtree Bank and Trust Company, Chamblee, Georgia, by means of Trust Company's purchase of assets and assumption of liabilities of Peachtree Bank.

In order to permit study of the complex procedural and substantive issues raised by a petition by the United States Department of Justice for reconsideration of that Order, the Board, on March 19, 1971, stayed its operation.

After study of those issues, the Board finds that reconsideration of its Order of February 22, 1971 would be appropriate and in the public interest.

IT IS HEREBY ORDERED, For the reasons set forth in the accompanying Statement and in the Board's Order of February 22, 1971, that the Orders of March 19 and February 22, 1971 be and hereby are vacated, and IT IS FURTHER ORDERED, That the application be and hereby is approved, provided that the merger so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, May 20, 1971.

Voting for this action: Chairman Burns and Governors Mitchell, Daane, Maisel, Brimmer and Sherrill. Voting against this action (on the merits of the application): Governor Robertson.

(Signed) KENNETH A. KENYON,
Deputy Secretary

[SEAL]

STATEMENT

On February 22, 1971 the Board of Governors issued an Order pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), approving an application by Trust Company of Georgia, Atlanta, Georgia ("Trust Company"), for prior approval of the merger of Trust Company with Peachtree Bank and Trust Company, Chamblee, Georgia ("Peachtree Bank"), by means of Trust Company's purchase of assets and assumption of liabilities of Peachtree Bank. As an incident to the merger, the two offices of Peachtree Bank would become branches of Trust Company.

On March 2, 1971, the Department of Justice filed with the Board a petition requesting reconsideration of the Board's Order of February 22, 1971. The petition was brought pursuant to § 262.3(f)(6) of the Board's Rules of Procedure, which provides that the Board will not grant any request for reconsideration unless "the request presents relevant facts that, for good cause shown, were not previously presented to the Board, or unless it otherwise appears to the Board that reconsideration would be appropriate." Opportunity was afforded Trust Company to reply to the allegations of the Department and the Board has given careful consideration to the briefs filed on behalf of Trust Company and the Department. On March 19, the Board stayed its February 22 Order to study the issues raised.

In its petition, the Department noted that, pursuant to the Bank Merger Act, the Board had requested from it a report on the competitive factors involved in the application, but had not been furnished the report within the statutorily prescribed period because of the illness of certain key personnel and incomplete information concerning the apparently unique banking relationships existing in the relevant Georgia markets. The Department urged that the Board consider certain additional information and arguments bearing on the relation between Trust Company and Peachtree Bank, and reconsider the competitive effects of the proposal in the light thereof.

Trust Company has urged that the Board deny the Department's request on the grounds, among others, that the Department is not an appropriate party to request reconsideration. Without deciding that question, or the question of whether the petition presents relevant facts which, for good cause shown, were not previously presented, the Board finds it appropriate and in the public interest to vacate and reconsider its Order of February 22, 1971 in the light of the issues raised by the Department.

In its Order approving the application, the Board indicated that its conclusions with respect to the competitive effects of the proposal took account of the fact that Trust Company was instrumental in organizing Peachtree Bank in 1960, and that the banks had been closely associated since that time. The Department does not controvert those findings, but instead argues that, in attributing significance to them in assessing the competitive aspects of the transaction, the Board applied an incorrect standard. It states that "the mere existence of a 'close relationship' between the two merging banks should not serve to release the merger from the usual competitive considerations applied by the Board (or from the standards of Clayton Act § 7)." It then proposes the following as a test of the relevance of any relationship between two merging banks:

> "[W]here a metropolitan bank in reality *establishes* a new bank (rather than assisting others in establishing such a bank), the new bank may be in effect an extension or branch of the existing bank. This occurs where it, albeit indirectly, organizes, controls, and finances the new bank. In such circumstances, a subsequent merger of the 'affiliated' bank into the large Atlanta bank is not likely to have competitive significance. Absent this situation of original and continuing control, however, we believe that the new 'affiliated' bank should be considered an independent competitive factor and any subsequent acquisition or merger evaluated according to traditional standards."

At the outset, it should be clear that every bank merger before the Board is subject to scrutiny under the same standards, that is, whether its effect "in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or . . . in any other manner would be in restraint of trade." The existence of a factual situation, of whatever nature, which indicates that competition between two banks is not substantial and is unlikely to become such does not result in the application of different standards. However, it may lead to a different conclusion than would be reached if the same standards were applied to a different factual situation. A conclusion as to whether a particular proposal may have the effect of substantially lessening competition must be based on the facts of the particular case, and the Board is not authorized, much less required, to ignore facts which bear on that conclusion. A merger of two banks which are not significant competitors cannot be regarded as eliminating significant existing competition. And, similarly, if future competition is unlikely—even though possible—the merger cannot be regarded as reasonably likely to lessen future competition.

This does not mean that every proposed merger before the Board of two related banks receives favorable consideration. First of all, consideration must be given to the question of whether the relationship was anticompetitive in its origins: if so, little weight should be attributed to such relationship, since to do so might encourage evasion of the law. Assuming, however, that the relationship was not anticompetitive when established or fashioned so as to avoid legal restrictions, its impact on competition—present and future—should be considered realistically in determining whether approval of the transaction would be in the public interest. If the effect of a relationship is to create and sustain cooperation, and not competition, between the banks, their merger cannot reasonably be said to eliminate presently existing competition between them. Insofar as the future effects of the proposal are concerned, that depends on whether it might reasonably be anticipated that the existing inhibitions on competition might be terminated, so that, if the banks were not merged, effective competition between the banks would be likely. It may be that, in a very highly concentrated market, elimination of even a relatively remote possibility of significant future competititon would mean that approval of the transaction would not be in the public interest. But in no case does the Board consider it appropriate to regard the elimination of a remote possibility of future competition as being the equivalent of the elimination of a reasonable probability of such competition.[1]

Reexamination of the facts of the present case, including those stressed by the Department, do not persuade the Board that its original decision was incorrect. Trust Company was largely responsible for the founding of Peachtree Bank, has supplied it with management (which continues to participate in Trust Company's retirement and profit-sharing plans), and has accorded it all the assistance and cooperation which this relationship implies. While it does not control the bank or its policies, the relationship between them is such that they cannot realistically be regarded as significant competitors to each other. Moreover, while Trust Company apparently does not have the ability to force continuation of the relationship, the relationship appears to have been mutually beneficial and there is no reason to expect that either Trust Company or Peachtree Bank would voluntarily discontinue it if their merger were to be prohibited. The latter has advised that almost 40 per cent of its IPC demand deposits are in accounts whose size exceeds the insurance maximum, and that most of them would likely be moved elsewhere if the relationship were terminated.

Nor do the facts suggest that, if Peachtree Bank were to become truly independent of Trust Company, competition would be so much enhanced that the preservation of the mere possibility of such occurrence should be accorded unusual significance. Peachtree Bank, with $15 million deposits, has the eighth largest share of deposits in DeKalb County (7 per cent) of the 19 banks operating there. As indicated above, it would likely be even smaller were its relationship with Trust Company to be terminated. It is doubtful that, as an independent, it would exert a significant competitive influence on Trust Company or other Atlanta banks.

Based on these facts, the Board concludes that consummation of the transaction would not have a substantially adverse effect on competition in any relevant area. As to other factors required to be considered by the Act, the Board incorporates its findings and conclusions as set forth in its Order of February 22, 1971.

On the basis of the record in this case, as supplemented by the petition and supporting documents filed by the Department of Justice and Applicant's response thereto, it is the Board's judgment that the proposed merger would be in the public interest and that the application should be approved.

Dissenting Statement of Governor Robertson

At the time the Board first considered this application, I voted to approve on the grounds that the facts were such that no significant change in banking competition in the relevant area would result. However, I am now convinced by the Justice Department position that, since the relationship between Trust Company and Peachtree Bank does not constitute actual control, the banks should be treated as independent institutions in analyzing the competitive effects of the proposal.

[1] It should be noted that Trust Company of Georgia, in addition to being a bank, is also a bank holding company. Had it established control over another bank sufficiently firm to meet the Justice Department's proposed standard, it would probably be regarded as violating the Bank Holding Company Act. In such case, the relationship between the two banks, being unlawful, would properly be regarded as less durable than the present relationship, not more so. It should also be stressed that, under recent amendments to the Bank Holding Company Act, the establishment of such control by any bank over another requires prior approval of the Board.

Considering the facts in this context, I would reverse my prior decision and deny the application, the approval of which will permanently foreclose the possibility of future competition and constitute a precedent that could lead to additional anticompetitive mergers in areas where concentration of banking power is already great.

Moreover, I believe denial is called for even under the method of analysis adopted by the majority—which is to consider all facts bearing on the present and potential ability of the banks to compete, and to weigh the possibility of disaffiliation with the benefits that would result if the smaller bank became independent.

Admittedly the relationship between the banks is such as to inhibit competition between them; however, the possibility that Peachtree would become independent is far from remote. The record indicates that Trust Company's initial offer was rejected by Peachtree, that the two banks have no common officers and directors, that common stock ownership is minimal, and that the two banks have pursued different commercial strategies. Clearly the relationship between the banks is not so strong as to preclude the possibility of disaffiliation.

Peachtree Bank is located in DeKalb County (pop. 414,000). That county is situated to the east of Atlanta and, as part of the Atlanta SMSA, is one of the fastest growing areas in the country. Although DeKalb County was once basically a "bedroom" suburb of Atlanta, the population increase has been accompanied by an even larger growth in the number and size of commercial and industrial firms. Banking in Atlanta is dominated by three banking organizations (including Trust Company). In Fulton County—where Atlanta is located—these three organizations control 73 per cent of deposits; in DeKalb County they control 53 per cent of deposits. Additionally, the three Atlanta banks have relationships with 12 banks in DeKalb County (including Peachtree), which, in the aggregate, control 28 per cent of that county's deposits. If mergers involving those 12 banks and their "affiliated" institutions were to be consummated, the three large Atlanta banks would control 82 per cent of the DeKalb County deposits, and 76 per cent of the deposits in the two-county area.

In my judgment, these "affiliated" banks represent a source of competition for the three Atlanta banks. By approving the present application, the Board has permitted Trust Company to increase its share of DeKalb County deposits from 14 to 20 per cent, and has adopted a policy of removing potential sources of deconcentration for the Atlanta area.

For these reasons, I would deny the application and preserve the realistic possibility that Peachtree might become independent.

ORDERS UNDER SECTION 3 OF THE BANK HOLDING COMPANY ACT

AMERICAN BANCSHARES, INCORPORATED, NORTH MIAMI, FLORIDA

In the matter of the application of American Bancshares, Incorporated, North Miami, Florida, for approval of action to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of The Second National Bank of North Miami, North Miami; Second National Bank of North Miami Beach, North Miami Beach; and The National Bank of St. Petersburg, St. Petersburg, all in Florida.

ORDER APPROVING ACTION TO BECOME A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by American Bancshares, Incorporated, North Miami, Florida, for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 80 per cent or more of the voting shares of each of three banks in Florida: The Second National Bank of North Miami, North Miami; Second National Bank of North Miami Beach, North Miami Beach; and The National Bank of St. Petersburg, St. Petersburg.

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

Notice of receipt of the application was published in the Federal Register on March 13, 1971 (36 Federal Register 4917), which provided an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, May 13, 1971.

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

(Signed) ELIZABETH L. CARMICHAEL,
Assistant Secretary.

[SEAL]

STATEMENT

American Bancshares, Incorporated, North Miami, Florida ("Applicant"), has filed with the Board, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956, an application for approval of action to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of The Second National Bank of North Miami, North Miami ("North Miami Beach"); Second National Bank of North Miami Beach, North Miami Beach ("North Miami Beach Bank"); and The National Bank of St. Petersburg, St. Petersburg ("St. Petersburg Bank"), all in Florida.

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

Statutory considerations. Section 3(c) of the Act provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve a proposed acquisition, the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In each case, the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the communities to be served.

Competitive effects of the proposed transaction. There are at the present time 19 registered bank holding companies operating in the State of Florida, which control 52 per cent of the deposits held by all commercial banks in the State.[1] Through the acquisition of North Miami Bank ($21 million deposits), North Miami Beach Bank ($3 million deposits), and St. Petersburg Bank ($28 million deposits), Applicant would become the State's nineteenth largest holding company, with control of .4 per cent of the total State deposits, and State-wide banking concentration would not be significantly affected.

Two of the proposed subsidiary banks, North Miami Bank and North Miami Beach Bank, are located in the northeast portion of Dade County, approximately seven miles apart, and serve separate areas; whereas the other proposed subsidiary, St. Petersburg Bank, is located in Pinellas County, approximately 250 miles from the Miami area. North Miami Bank and North Miami Beach Bank hold 8 and 10 per cent, respectively, of total deposits in the areas they serve, rank as the thirty-fifth and sixty-sixth largest of Dade County's 69 banks, and together control 0.9 per cent of county deposits. St. Petersburg Bank holds 41 per cent of deposits in the area it serves, which encompasses the southwest portion of St. Petersburg, but only 2.4 per cent of Pinellas County deposits, and is the sixteenth largest of the 34 banks in the county.

North Miami Bank has been affiliated with St. Petersburg Bank since 1966 and has been affiliated with North Miami Beach Bank since it was organized as an affiliate in 1969. Common shareholders own 69 per cent of North Miami Bank, 61 per cent of North Miami Beach Bank, and over 43 per cent of the St. Petersburg Bank, and the same group would control approximately 56 per cent of Applicant's stock upon consummation of the proposal. The three banks are operated by the same executive management, and there is an interlocking of directorships. There is no significant present competition among the three proposed subsidiary banks, and due to their geographical separation, the number of intervening banks, Florida's laws prohibiting branching, and their common ownership it does not appear that future competition is likely to develop. Consummation of the proposed formation would effect a reorganization of the three affiliated banks under corporate control, and it does not appear that it would adversely affect any competing banks.

On the basis of the foregoing, the Board concludes that consummation of this proposal would not result in a monopoly or be in furtherance of any combination, conspiracy, or attempt to monopolize the business of banking in any part of the United States, and would not restrain trade, substantially lessen competition, or tend to create a monopoly in any part of the country.

Financial and managerial resources and future prospects. Applicant was organized in November 1970 and has not engaged in any business activities. Its financial condition and that of its proposed subsidiaries are generally satisfactory, the managements of each are considered competent, and the prospects of each are regarded as favorable.

Considerations relating to the banking factors are consistent with approval of the appplication.

Convenience and needs of the communities involved. The areas served by the two Miami banks in Dade County and by St. Petersburg Bank in Pinellas County have experienced substantial growth during the last ten years. Whereas these communities are well provided with banking services, Applicant's plans to broaden the range of services offered at each subsidiary bank would enable them to offer customers an additional alternative for these services. Applicant's planned services would include trust services and investment advice, payroll services for commercial and business accounts, and travel services.

Considerations relating to the convenience and needs of the areas involved are consistent with and lend some weight in favor of approval of the application.

Summary and conclusion. On the basis of all the relevant facts contained in the record, and in the light of the factors set forth in section 3(c)

[1] Banking data are as of June 30, 1970, adjusted to reflect holding company formations and acquisitions approved by the Board through April 30, 1971.

of the Act, it is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

FIRST UNION, INCORPORATED, ST. LOUIS, MISSOURI

In the matter of the application of First Union, Incorporated, St. Louis, Missouri, for approval of the acquisition of 80 per cent or more of the voting shares of The First National Bank of Cape Girardeau, Cape Girardeau, Missouri.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by First Union, Incorporated, St. Louis, Missouri ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of The First National Bank of Cape Girardeau, Cape Girardeau, Missouri ("Bank").

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

Notice of receipt of the application was published in the Federal Register on March 18, 1971 (36 Federal Register 5259), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant, the third largest banking organization and third largest bank holding company in Missouri, has six subsidiary banks with aggregate deposits of $778 million, representing 7.6 per cent of the total commercial bank deposits in the State. (All banking data are as of June 30, 1970, adjusted to reflect holding company acquisitions and formations approved by the Board through April 30, 1971.) Consummation of the proposal herein would increase Applicant's share of commercial bank deposits in the State to 7.8 per cent, and Applicant would become the State's second largest banking organization and its second largest bank holding company.

Bank ($24 million deposits), located in the southeast portion of Cape Girardeau County, 125 miles south of St. Louis, is the second largest of the nine banks in the Cape Girardeau banking market, which is approximated by Cape Girardeau County and the northern half of Scott County, and holds 25.9 per cent of that market's deposits. It does not appear that Bank occupies a dominant position in its market; Bank's rate of deposit growth during the last five years has been the slowest of the nine banks in the market. Affiliation with Applicant should improve Bank's ability to compete more effectively. Applicant's subsidiary closest to Bank is located 90 miles northwest, and neither it nor any other of Applicant's subsidiaries compete with Bank to a significant extent. Moreover, in light of the distances separating Bank from Applicant's subsidiaries and Missouri's restrictive branching law, the development of such competition appears unlikely. Consequently, it does not appear that existing competition would be eliminated, or significant potential competition foreclosed, by consummation of Applicant's proposal, or that there would be undue adverse effects on any bank in the area involved.

Based upon the foregoing, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area. The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as consistent with approval of the application. Although the present banking needs of the Cape Girardeau area appear to be adequately served by the existing banking institutions, the area is expected to experience continued economic growth. In order to make Bank more responsive to the needs of the area, Applicant plans to expand and to improve many of Bank's services, including its lending program. These considerations relating to the convenience and needs of the area lend some weight toward approval. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, On the basis of the Board's findings summarized above, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period shall be extended for good cause by the Board, or by the Federal Reserve Bank of St. Louis pursuant to delegated authority.

By order of the Board of Governors, May 13, 1971.

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

(Signed) ELIZABETH L. CARMICHAEL,
Assistant Secretary.

[SEAL]

COMMERCE BANCSHARES, INC., KANSAS CITY, MISSOURI

In the matter of the application of Commerce Bancshares, Inc., Kansas City, Missouri, for approval of acquisition of more than 80 per cent of the voting shares of The Willard Bank, Willard, Missouri.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Commerce Bancshares, Inc., Kansas City, Missouri, a registered bank holding company, for the Board's prior approval of the acquisition of more than 80 per cent of the voting shares of The Willard Bank, Willard, Missouri.

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

Notice of receipt of the application was published in the Federal Register on March 13, 1971 (36 Federal Register 4917), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order unless such time be extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, May 14, 1971.

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

(Signed) ELIZABETH L. CARMICHAEL,
Assistant Secretary.

[SEAL]

STATEMENT

Commerce Bancshares, Inc., Kansas City, Missouri ("Applicant"), a registered bank holding company, has applied to the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)), for prior approval of the acquisition of more than 80 per cent of the voting shares of The Willard Bank, Willard, Missouri ("Bank").

Views and recommendations of supervisory authority. As required by section 3(b) of the Act, notice of receipt of the application was given to the Commissioner of Finance of the State of Missouri, and his views and recommendation were requested. The Commissioner indicated that he had no objection to approval of the application.

Statutory considerations. Section 3(c) of the

Act provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve a proposed acquisition the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In each case the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the communities to be served.

Competitive effect of proposed transaction. The ten largest banking organizations in Missouri, seven of which are registered bank holding companies, control approximately 42 per cent of the commercial bank deposits in the State.[1] Applicant, the second largest bank holding company and the second largest banking organization in the State, controls 17 subsidiary banks with aggregate deposits of $792 million, representing 7.8 per cent of the deposits held by all commercial banks in the State. Upon acquisition of Bank ($1.5 million deposits), Applicant's position in relation to the State's other banking organizations and holding companies would remain unchanged and its share of deposits in the State would be increased only insignificantly.

Bank, located in Willard, ten miles northwest of downtown Springfield, serves a 170 square mile area of northwest Greene County. It is the smaller of the two banks in its service area and, with .5 per cent of the commercial bank deposits in the county, is the tenth largest of the 12 Greene County banks.

The city of Willard serves as a bedroom community to Springfield, with approximately 90 per cent of the Willard labor force commuting to Springfield. The population of the city has grown from 357 in 1960 to just over 1,000 in 1970, and it is estimated that the 1980 population will be close to 6,000.

Applicant's subsidiary located closest to Bank, the Citizens Bank of Springfield, also operates in Greene County. With 26 per cent of the deposits, Citizens Bank is the second largest bank in the county. There is some negligible existing competition between Bank and Citizens Bank which would be eliminated by the consummation of this proposal. However, the size of Bank and the conservative operating policies of its management appear to preclude it from being a significant competitor. An indication of this is the fact that Bank was chartered in 1966 and since then its deposits have grown slowly, even though the area has experienced substantial growth. In light of the circumstances described above and the facts of record, the Board views Applicant's acquisition of Bank as a somewhat unusual case.

On the basis of the foregoing, the Board concludes that consummation of the proposal would not result in a monopoly or be in furtherance of any combination, conspiracy or attempt to monopolize the business of banking in any part of the United States and would not restrain trade, substantially lessen competition, or tend to create a monopoly in any section of the country.

Financial and managerial resources and future prospects. The financial condition of Applicant is regarded as satisfactory, its management as competent, and its prospects as favorable. The same conclusions apply to Applicant's subsidiaries.

Bank is in good financial condition and its prospects are regarded as favorable. The present management of Bank is regarded as satisfactory; however, affiliation with Applicant should provide Bank with greater management depth and should assist Bank in meeting a management succession problem.

These considerations are consistent with, and provide some weight in favor of, approval of the application.

Convenience and needs of the communities involved. The major banking needs of the residents of Bank's service area appear to be adequately served at the present time by existing institutions.

Applicant proposes to establish new services at Bank, including estate planning and trust services, and to broaden Bank's lending policies in order to better meet the expanding needs of the rapidly growing Willard area. These additional services should facilitate the economic development of the area.

[1] All banking data are as of June 30, 1970, adjusted to reflect bank holding company formations and acquisitions approved by the Board through March 31, 1971.

Considerations relating to the convenience and needs of the communities involved lend weight in support of approval of the application.

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

DISSENTING STATEMENT OF GOVERNOR ROBERTSON

Although the majority has attempted to cushion the precedential impact of its decision by characterizing its approval of the application as "a somewhat unusual case," I disagree with such a characterization, and I would deny the application. Applicant's acquisition of The Willard Bank is clearly anticompetitive, and since there are no offsetting benefits to the communities which clearly outweigh those anticompetitive effects, the mandate of the Bank Holding Company Act requires denial of the application.

Commerce Bancshares, with its seventeen subsidiary banks, is already represented in every major banking market in the State of Missouri. The proposal herein represents an overt effort by Commerce to solidify its position in one of those markets, Greene County, by acquiring one of its competitors, The Willard Bank. That one of Applicant's subsidiaries, Citizens Bank of Springfield, and The Willard Bank are actual competitors is not in dispute; yet the majority has apparently determined that the elimination of competition between the two banks is not so significant so as to require denial of the application. To me, such a determination ignores the commercial realities which are present in this case.

Citizens Bank of Springfield and The Willard Bank both operate in the same market. Ninety per cent of Willard's work force commutes to Springfield for employment. There is substantial deposit and loan overlap between the two banks. In fact, the amount of loans and deposits which Citizens Bank derives from The Willard Bank's service area greatly exceeds the total loans and total deposits held by The Willard Bank. It is apparent that the effects of the consummation of Applicant's proposal will be an elimination of this meaningful competition between Citizens Bank and The Willard Bank and the elimination of an alternative source of banking services for these residents of Willard who commute to Springfield. In light of the large number of commuters, such a prospect is clearly anticompetitive.

In addition to the above anticompetitive effects of the proposal, the majority has chosen to ignore the adverse effects of Applicant's proposal on potential competition. While admitting that the Willard service area has enjoyed rapid population expansion and that the prospects for future development are good, the majority has failed to recognize that its action today will foreclose the development of The Willard Bank as an effective competitor in the Greene County banking market. The Board's action today appears to authorize bank holding companies to intensify their control of the banking markets in which they are already represented simply by acquiring the smaller banks in those markets. To me, such action is unwarranted and contrary to the purposes of the Bank Holding Company Act.

The majority finds that the additional services to be provided by The Willard Bank as an affiliate of Commerce lend weight in favor of approval of the application. However, the record does not disclose that there is an actual need for such additional services. Trust services are easily available to the residents of Willard through the nearby Springfield banks, and it appears that The Willard Bank is fully capable of handling the loan demands which arise in its service area. Consequently, since there is no showing of benefits to the communities involved which outweigh the anticompetitive effects of the proposal herein, the application should be denied.

SOUTHWEST BANCSHARES, INC., HOUSTON, TEXAS

In the matter of the application of Southwest Bancshares, Inc., Houston, Texas, for approval of acquisition of more than 51 per cent of the voting shares of The First National Bank of Longview, Longview, Texas.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by

Southwest Bancshares, Inc., Houston, Texas, a registered bank holding company, for the Board's prior approval of the acquisition of more than 51 per cent of the voting shares of The First National Bank of Longview, Longview, Texas. Applicant, through a wholly-owned subsidiary, presently controls 22.1 per cent of the voting shares of The First National Bank of Longview.

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

Notice of receipt of the application was published in the Federal Register on February 11, 1971 (36 Federal Register 2882), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order, or (b) later than three months after the date of this Order, unless such time shall be extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority, and provided further that (c) Applicant divest itself of its interest in voting shares of The Kilgore National Bank, Kilgore, Texas, within two years of the date of this Order.

By order of the Board of Governors, May 14, 1971.

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

(Signed) ELIZABETH L. CARMICHAEL,
Assistant Secretary.

[SEAL]

STATEMENT

Southwest Bancshares, Inc., Houston, Texas ("Applicant"), a registered bank holding company, has applied to the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)), for prior approval of the acquisition of more than 51 per cent of the voting shares of The First National Bank of Longview, Longview, Texas ("Longview Bank"). Applicant, through a wholly-owned subsidiary, presently controls 22.1 per cent of the voting shares of Longview Bank.

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

Statutory considerations. Section 3(c) of the Act provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve a proposed acquisition, the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In each case, the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the communities to be served.

Competitive effects of the proposed transaction. Applicant controls two banks with aggregate deposits of approximately $602 million, representing 2.6 per cent of the total commercial bank deposits in Texas, and is the fifth largest banking organization in the State.[1] In addition, Applicant controls more than 14 per cent (but less than 25 per cent) of the voting shares of each of six other Texas banks, including Longview Bank.

Longview Bank ($32 million of deposits) is the second largest of five banks in Longview

[1] All banking data are as of June 30, 1970, and reflect holding company acquisitions approved through February 28, 1971.

and the second largest of the 15 banks in the relevant market, which is defined as approximately Gregg County and portions of Harrison and Rusk Counties. Longview Bank controls 13.7 per cent of the deposits in the market. Applicant's two subsidiaries are located in the Houston area, more than 200 miles from Longview. Because of the distance between Houston and Longview, the number of banks in the intervening area, the prohibition against branch banking in Texas, and other relevant considerations, Longview Bank is not regarded as a competitor of either of Applicant's subsidiaries, nor is it likely to become such in the future. There is no indication in the record that the acquisition of Longview Bank by Applicant would adversely affect other banks in the relevant market.

Applicant, through a wholly-owned subsidiary, controls 24.7 per cent of the voting shares of The Kilgore National Bank, Kilgore, Texas ("Kilgore Bank"), located approximately 12 miles southwest of Longview Bank. Kilgore Bank competes in the same market with Longview Bank and ranks as the seventh largest bank in the market on the basis of its control of 5.9 per cent of market deposits.

Analysis of Applicant's relationships with Kilgore Bank and examination into Applicant's actual or potential influence over the policies or management of Kilgore Bank indicate that consummation of the proposal would have anticompetitive effects. Applicant is the largest shareholder of Kilgore Bank. In addition, Applicant, through its wholly-owned subsidiary, is party to an agreement with other shareholders of Kilgore Bank. The shareholders joining in the agreement control more than 50 per cent of the voting shares of Kilgore Bank and have provided in the agreement for all their shares to be voted as a unit. Under the terms of the agreement, Applicant has the right to be consulted before policy decisions of Kilgore Bank are made, the right to be fully informed about all matters concerning the bank, the right of unrestricted access to all books and records of the bank, and other significant rights. The Board has not made a determination that Applicant "controls" Kilgore Bank within the meaning of the Bank Holding Company Act of 1956, and it considers such a determination unnecessary in the circumstances. The position that Applicant enjoys with respect to Kilgore Bank compels the conclusion that consummation of the proposal could result in a stifling of competition between Longview Bank and Kilgore Bank.

The anticompetitive dangers raised by the proposal could be eliminated if Applicant divested itself of its interest in Kilgore Bank. The Board's Order approving the proposal is conditioned upon such divestiture. On that basis, and after careful consideration of the entire record, the Board concludes that consummation of the proposal would not substantially lessen competition, tend close significant potential competition. Nor would it result in a monopoly nor be in furtherance of any combination, conspiracy, or attempt to monopolize the business of banking in any area, and would not substantially lessen competition, tend to create a monopoly, nor restrain trade in any section of the country.

Financial and managerial resources and future prospects. The financial and managerial resources and prospects of Applicant, its subsidiaries, and Longview Bank are regarded as satisfactory. Therefore, considerations regarding the banking factors are consistent with approval of the application.

Convenience and needs of the communities involved. There is no indication in the record of significant benefits to residents of the Houston area that would flow from consummation of the proposal. Affiliation with Applicant would enable Longview Bank to offer larger lending limits through loan participations and to initiate, improve or expand other services, particularly international and trust services. Therefore, considerations regarding the convenience and needs of the communities involved are consistent with approval of the application but lend little weight thereto.

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

Statement of Governor Robertson Concurring in Part and Dissenting in Part

I concur with the other members of the Board voting on this action that this application warrants approval provided that Applicant divest itself of its interest in Kilgore Bank. However, I do not agree that Applicant should be given up to two years to effect the divestiture as provided in the Board's Order.

The Board finds that Applicant's acquisition of a controlling interest in Longview Bank while it continues to retain a substantial interest in Kilgore Bank would have an adverse effect on competition. In such circumstances, I believe that divestiture should be required as a condition *precedent* to consummation of the proposal. Adoption of a policy of allowing divestiture of a competing bank within a two-year period (or other extended period of time) indicates a willingness of the Board to disregard anticompetitive effects of a transaction for a significant period of time.

Whenever the Board is considering an appropriate date for divestiture, it must, of course, weigh the potential hardship to an Applicant caused by divestiture at an early date against the risks of adverse effects on competition. I believe that, in the present case, concern about the competitive factors should prevail. By virtue of an agreement with other shareholders of Kilgore Bank, Applicant enjoys unrestricted access to inside information concerning Kilgore Bank and, in addition, has the voting power, as member of the control group, to take maximum advantage of that information. By gaining control of Longview Bank, Applicant would be able to utilize its power in a manner detrimental to competition between Kilgore Bank and Longview Bank. The effects of such an anticompetitive situation could linger well beyond two years.

In my judgment, the anticompetitive considerations are not outweighed by any other considerations. In view of our conclusion that considerations regarding the convenience and needs of the communities involved lend little weight to approval of the application, the Longview community will not suffer if this transaction is not consummated at the earliest possible date. Nor is it likely that Applicant would suffer significant hardship if we required it to divest itself of its interest in Kilgore Bank prior to consummation of the proposal. The restricted nature of Applicant's Kilgore Bank stock, encumbered as it is with the shareholder agreement, means that only a limited market for the stock exists now and that the situation would be unaffected in the next two years. Therefore, I do not see what the two-year period is intended to accomplish. If there is a possible economic loss that Applicant would suffer by a requirement of divestiture prior to consummation of the proposal, I consider it not significant relative to the serious and likely adverse effects on competition that could result if we permit Applicant to own substantial interests in two competing banks for two years.

For the reasons stated above, I would require Applicant to divest itself of its interest in Kilgore Bank prior to consummation of the proposal.

BARNETT BANKS OF FLORIDA, INC., JACKSONVILLE, FLORIDA

In the matter of the application of Barnett Banks of Florida, Inc., Jacksonville, Florida, for approval of the acquisition of 80 per cent or more of the voting shares of Hollywood Bank and Trust Company, Hollywood, Florida.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Barnett Banks of Florida, Inc., Jacksonville, Florida ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Hollywood Bank and Trust Company, Hollywood, Florida ("Hollywood Bank").

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

Notice of receipt of the application was published in the Federal Register on March 30, 1971 (36 Federal Register 5877), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant presently controls 25 banks which hold deposits of $639 million, representing 5.2 per cent of total deposits held by Florida's commercial banks, and is the State's third largest banking organization. (All banking data are as of June 30, 1970 and reflect holding company formations and acquisitions approved by the Board through April 30, 1971.) Applicant's acquisition of Hollywood Bank, with deposits of $58.8 million, would increase its share of deposits in the State by a relatively slight amount.

Hollywood Bank operates one office, located in the city of Hollywood, Broward County, Florida, and primarily serves the Hollywood metropolitan area (southern portion of Broward County extending southward to the Dade County line). It is the third largest of seven banking organizations in the Hollywood area with 17.9 per cent of area deposits, and the sixth largest of 38 banks in the county with 5.5 per cent of total county deposits. [Four bank holding companies presently control fifteen of these 38 banks amounting to 48.9 per cent of the county's total deposits.] The two largest banking organizations in Hollywood control 21.8 and 19.5 per cent of that area's deposits respectively.

Applicant's nearest existing subsidiary to Bank is approximately 155 miles away, and Applicant's nearest approved subsidiary is located twenty miles away in the city of Miami and is separated from Bank by numerous intervening banks. There is no significant competition between Bank and Applicant's subsidiaries and, based on the facts of record, the potential for any meaningful competition between them appears remote. Based on the foregoing, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition in any relevant area and may have a procompetitive impact in the Hollywood area since Hollywood Bank has not been a particularly aggressive institution.

Considerations relating to financial and managerial resources and prospects as they relate to Applicant, its subsidiaries and Bank, are regarded as consistent with approval of the application. Affiliation with Applicant will enable Hollywood Bank to strengthen its management depth by drawing from Applicant's pool of management resources for successor management. The Hollywood area continues to experience an extremely high rate of growth. While it appears that the banking needs of the area are being adequately served, Applicant proposes to institute more aggressive loan policies, and improve trust and other banking services to more effectively meet the needs of the community. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

IT IS HEREBY ORDERED, for the reasons set forth in the findings summarized above, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such time be extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, May 18, 1971.

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

VALLEY BANCORPORATION, APPLETON, WISCONSIN

In the matter of the application of Valley Bancorporation, Appleton, Wisconsin, for approval of acquisition of 80 per cent or more of the voting shares of Badger State Bank, Denmark, Wisconsin.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Valley Bancorporation, Appleton, Wisconsin ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Badger State Bank, Denmark, Wisconsin ("Bank").

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

Notice of receipt of the application was published in the Federal Register on April 6, 1971 (36 Federal Register 6543), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant, the seventh largest registered bank holding company and banking organization in Wisconsin, controls ten banks holding aggregate deposits of $123 million which represent 1.4 per cent of commercial bank deposits in the State of Wisconsin. (All banking data are as of June 30, 1970, and reflect bank holding company acquisitions approved by the Board to date.) Upon acquisition of Bank ($7.5 million in deposits), Applicant's control of deposits in the State of Wisconsin would increase to 1.5 per cent.

Bank, located in the southeast section of Brown County, is the eleventh largest of 16 banking organizations in the Green Bay SMSA, holding 2.3 per cent of deposits in that area. Applicant's closest subsidiary is Reedsville State Bank which is located in Reedsville, Manitowoc County, 22 miles southwest of Denmark. There is no present competition between Bank and that bank or any other of Applicant's subsidiaries. In light of the low population of the area, and the fact that Wisconsin law prohibits branching into or within three miles of communities already having a bank or branch, the possibility of such competition arising in the future appears remote. No existing competition would be eliminated by consummation of the proposal, nor would significant potential competition be foreclosed. Neither would there be any adverse effects on any bank in the area.

There is no evidence that significant banking needs of the community are going unserved; however, affiliation with Applicant would allow Bank to provide additional services such as data processing and trust services. Considerations relating to the convenience and needs of the communities to be served are thus consistent with approval. The prospects and financial condition of Bank are regarded as satisfactory. Bank's management is nearing retirement age and affiliation with Applicant would facilitate management succession; this factor lends some weight toward approval. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and that the application should be approved.

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

By order of the Board of Governors, May 20, 1971.

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

FIRST UNION, INCORPORATED, ST. LOUIS, MISSOURI

In the matter of the application of First Union, Incorporated, St. Louis, Missouri, for approval of acquisition of 80 per cent or more of the voting shares of The First National Bank of West Plains, West Plains, Missouri.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by

First Union, Incorporated, St. Louis, Missouri, a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of The First National Bank of West Plains, West Plains, Missouri.

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

Notice of receipt of the application was published in the Federal Register on February 4, 1971 (36 Federal Register 2429), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order unless such time be extended for good cause by the Board, or by the Federal Reserve Bank of St. Louis pursuant to delegated authority.

By order of the Board of Governors, May 20, 1971.

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

STATEMENT

First Union, Incorporated, St. Louis, Missouri ("Applicant"), a registered bank holding company, has applied to the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)), for prior approval of the acquisition of 80 per cent or more of the voting shares of The First National Bank of West Plains, West Plains, Missouri ("Bank").

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

Statutory considerations. Section 3(c) of the Act provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve a proposed acquisition the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In each case the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the communities to be served.

Competitive effect of the proposed transaction. Applicant is the second largest banking organization and second largest bank holding company in Missouri by virtue of its control of seven banks with aggregate deposits of $802 million, representing 7.8 per cent of the total commercial bank deposits in the State.[1] As a result of this proposal, Applicant's share of deposits in the State would be increased to 8.1 per cent; however, Applicant would still rank second in relation to the State's other banking organizations and bank holding companies.

West Plains, the county seat of Howell County, is a rural community of about 7,000 located in south-central Missouri, approximately 210 miles southwest of St. Louis. The economy of Howell County has experienced only insignificant growth, and its population has increased only about 7 per cent during the last decade. The same depressed condition exists in the surrounding six county area, and the prospects for the entire area are, at best, only fair.

[1] All banking data are as of June 30, 1970, adjusted to reflect holding company acquisitions and formations approved by the Board to date.

Bank ($28 million deposits), the largest of two banks in West Plains and the largest of four banks in Howell County, holds 60.9 per cent of the total commercial bank deposits in the county. Even though Bank is the largest bank in the county, the other Howell County banks appear to be effective competitors, especially the other West Plains bank which has new and aggressive management, and should not be adversely affected by Applicant's acquisition of Bank.

Applicant's subsidiary closest to Bank is located over 100 miles away. None of Applicant's subsidiaries derives any significant amount of business from Bank's service area. Nor does Bank compete in any of those areas served by Applicant's subsidiaries. Consequently, it does not appear that any existing competition would be eliminated by the consummation of this proposal.

In connection with its review of the application, the Board has considered a view expressed by the Department of Justice that the effect of the transaction on competition would be "significantly adverse." The principal arguments of the Department are that the acquisition would entrench Bank's dominant position and raise barriers to entry, and that alternative methods of entry into Howell County are open to Applicant. The Department believes it preferable that Applicant enter the area by either establishing a new bank or by acquiring one of the smaller banks in the county. The acquisition of a significant competitor by a large institution does raise, to a limited extent, barriers to entry into an area. However, the more significant objection raised by the Department relates to alternative methods of entry into the area. Based on the facts of record, Applicant's entry into Howell County through alternative means does not appear to be feasible.

The population-to-bank ratio in Howell County is approximately 5,900 per bank, considerably below the State average of about 7,000 per bank. Additionally, the high level of unemployment and the low per capita income are indicative of the depressed nature of the area's economy. The combination of these factors makes *de novo* entry most unattractive. Of course, it is conceivable that Applicant could attempt to acquire one of the smaller banks in the county. Applicant, however, indicates that the other West Plains bank does not appear to be available for acquisition because of a recent change in ownership, and that Applicant would not attempt to acquire either of the two Howell County banks, which are not located in West Plains, the trade center for the region. Moreover, the area's economy appears to require a larger bank with sufficient resources to assist in the development of the area and only Bank is in a position to meet this need. In summary, the Board does not consider the possible alternatives described above to be so clearly preferable from a competitive standpoint or so likely to occur as to require the denial of a proposal which should provide immediate benefits to Howell County and the surrounding area.

In light of the above circumstances, the Board concludes that the consummation of the proposed transaction would not result in a monopoly, nor be in furtherance of any combination, conspiracy, or attempt to monopolize the business of banking in any part of the United States, and would not restrain trade, substantially lessen competition or tend to create a monopoly in any section of the country.

Financial and managerial resources and future prospects. The financial condition and management of Applicant and its subsidiaries are regarded as satisfactory, and their prospects appear favorable.

The financial condition of Bank is regarded as satisfactory. The present management of Bank is considered competent, but Bank lacks management depth, and affiliation with Applicant should strengthen the present management and assure Bank of competent management succession.

These considerations are consistent with, and lend some weight in favor of, approval of the application.

Convenience and needs of the communities involved. The major banking needs of the communities served by Applicant's present subsidiaries would not be affected by consummation of the present proposal.

Although the present banking needs of Howell County appear to be met by the existing banking institutions, the introduction of the State's second largest banking organization, with its full range of banking services, could provide some stimulus to the depressed economy of the area. Specifically, Applicant intends to assist Bank in expanding and improving its lending program in the areas of housing, agriculture, and industrial development. Applicant also proposes to establish data processing and trust services. The addition and expansion of these services should enhance Bank's capabilities in assisting in the development of the area.

These considerations relating to the convenience and needs of the communities involved lend strong weight in support of approval of the application.

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

THE TORONTO-DOMINION BANK, TORONTO, ONTARIO, CANADA

In the matter of the application of The Toronto-Dominion Bank, Toronto, Ontario, Canada, for approval to become a bank holding company through the acquisition of 100 per cent (less directors' qualifying shares) of the voting shares of Toronto Dominion Bank of California, San Francisco, California, a proposed new bank.

Order Approving Action to Become a Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), the application of The Toronto-Dominion Bank, Toronto, Ontario, Canada ("Applicant"), for the Board's prior approval to become a bank holding company through the acquisition of 100 per cent (less directors' qualifying shares) of the voting shares of Toronto Dominion Bank of California, San Francisco, California ("Bank"), a proposed new bank.

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

Notice of receipt of the application was published in the Federal Register on March 25, 1971 (36 Federal Register 5641), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant is a Canadian commercial bank with $5 billion in deposits and 769 banking offices located throughout Canada. In the United States, Applicant has agencies in New York City and San Francisco and representative offices in Chicago, Los Angeles and Houston. Additionally, it owns a trust company in New York City which does not accept demand deposits.

Within the immediate area of Bank are head offices of three of the five largest banks in California as well as branch offices of the remaining two largest banks. Based on the record before it, the Board concludes that Bank's entry into this area will have no adverse effects on existing or potential competition. Rather, the addition of Bank will provide increased banking facilities and competition.

The financial and managerial resources and prospects of Applicant and Bank are satisfactory and consistent with approval of the application. Considerations relating to the convenience and needs of the community to be served lend some weight toward approval, due to the addition to the area of a new bank and another international banking link to Canada.

It is hereby ordered, for the reasons set forth in the findings summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order, or (b) later than three months after the date of this Order, and provided further that (c) Toronto Dominion Bank of California shall be open for business not later than six months after the date of this Order. The periods described in (b) and (c) hereof may be extended for good cause by the Board or by the Federal Reserve Bank of San Francisco pursuant to delegated authority.

By order of the Board of Governors, May 20, 1971.

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

(Signed) Kenneth A. Kenyon,
[seal] *Deputy Secretary.*

NJN BANCORPORATION, TRENTON, NEW JERSEY

In the matter of the application of NJN Bancorporation, Trenton, New Jersey, for approval of action to become a bank holding company through the acquisition of 100 per cent (less directors' qualifying shares) of the voting shares of New Jersey National Bank, Trenton, New Jersey.

ORDER APPROVING ACTION TO BECOME A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)), and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by NJN Bancorporation, Trenton, New Jersey ("Applicant"), for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 100 per cent (less directors' qualifying shares) of the voting shares of New Jersey National Bank, Trenton, New Jersey ("Bank").

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

Notice of receipt of the application was published in the Federal Register on April 17, 1971 (36 Federal Register 7329), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant is a nonoperating corporation formed for the purpose of acquiring Bank (deposits $467.1 million). As it has no present operations or subsidiaries, consummation of the proposal would eliminate neither existing nor potential competition. Neither does it appear that there would be adverse effects on any bank in the area involved.

The financial and managerial resources and prospects of Bank are satisfactory, as would be those of Applicant upon consummation of the proposal, and are consistent with approval. Consummation of the proposal would have no immediate effect on the convenience and needs of the community involved. Considerations under these factors are consistent with approval. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

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

By order of the Board of Governors, May 20, 1971.

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

FIRST FLORIDA BANCORPORATION, TAMPA, FLORIDA

In the matter of the application of First Florida Bancorporation, Tampa, Florida, for approval of the acquisition of 80 per cent or more of the voting shares of The State Bank of North Jacksonville, Jacksonville, Florida, a proposed new bank.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by

First Florida Bancorporation, Tampa, Florida ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of The State Bank of North Jacksonville, Jacksonville, Florida ("Bank"), a proposed new bank.

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

Notice of receipt of the application was published in the Federal Register on April 8, 1971 (36 Federal Register 6774), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant controls 19 banks with aggregate deposits of approximately $366 million, representing 3.0 per cent of the total commercial bank deposits in the State, and is the sixth largest banking organization in Florida. (All banking data are as of June 30, 1970, and reflect holding company acquisitions approved through April 30, 1971.) Since Bank is a proposed new bank, no existing competition would be eliminated nor would concentration be increased in any relevant area.

Bank will be located in a growing residential area (est. population: 85,000) north of downtown Jacksonville. Its proposed site is in a large shopping center and across the street from another shopping complex. Applicant presently controls two banks in Jacksonville which are 6 and 12 miles from Bank and across the river.

Consummation of the proposal would not give Applicant a dominant position in the market which is defined as approximating Duval County. Three of the four largest bank holding companies in the State are headquartered in Jacksonville and control 15 of the 29 banks in the market. These three companies control 77.6 per cent of market deposits, while Applicant controls only 4.3 per cent. In addition to Applicant and these three companies, the relevant market is comprised of five bank holding companies and banking groups, and four independent banks. Therefore, it appears that the effect of the proposal will be to enable Applicant to compete more effectively with the larger banking organizations in the relevant area.

Nor does it appear that the opening of Bank by Applicant would have an undue adverse effect on any competing bank. The bank nearest to the proposed site of Bank is located 2.1 miles away and is a subsidiary of the largest bank holding company in the State. The next closest bank is located 3.3 miles from the proposed site and is a subsidiary of the fourth largest bank holding company in the State.

On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area. The financial condition, management, and prospects of Applicant and its subsidiary banks are regarded as generally satisfactory. Bank has no operating financial history. It will open with satisfactory capital, and it will be able to draw on Applicant for its management. Its prospects are satisfactory. The banking factors are consistent with approval. Bank's location in a major shopping center which presently has no banking facilities should provide a convenience to residents of the area; and the wide range of services that Bank proposes to offer should meet the banking needs of the customers. Therefore, considerations relating to the convenience and needs of the communities to be served lend some weight in support of approval of the application. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and the application should be approved.

IT IS HEREBY ORDERED, for the reasons set forth in the findings summarized above, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, and provided further that (c) The State Bank of North Jacksonville shall be open for business not later than six months after the date of this Order. The periods described in (b) and (c) hereof may be extended for good cause by the Board, or by the Federal

Reserve Bank of Atlanta pursuant to delegated authority.

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

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

FIRST FLORIDA BANCORPORATION, TAMPA, FLORIDA

In the matter of the application of First Florida Bancorporation, Tampa, Florida, for approval of acquisition of 90 per cent or more of the voting shares of Peoples Bank of Crescent City, Crescent City, Florida.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by First Florida Bancorporation, Tampa, Florida ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 90 per cent or more of the voting shares of Peoples Bank of Crescent City, Crescent City, Florida ("Peoples Bank").

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

Notice of receipt of the application was published in the Federal Register on April 8, 1971 (36 Federal Register 6773), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant presently controls 19 banks with aggregate deposits of approximately $366 million, representing 3.0 per cent of all deposits of commercial banks in Florida. (All banking data are as of June 30, 1970, adjusted to reflect holding company acquisitions approved by the Board through April 30, 1971.) Upon acquisition of Peoples Bank ($7 million deposits), Applicant would increase its share of Statewide deposits by only 0.1 percentage points, leaving unchanged its present ranking as the sixth largest banking organization in Florida.

Peoples Bank is the only bank located in Crescent City. Its principal competitors are the two banks in Palatka, 25 miles north of Crescent City, and the three banks in Deland, 30 miles south of Crescent City. Four of these five competitors are subsidiaries of holding companies. On the basis of deposits, Peoples Bank ranks fifth among the six banking organizations in the market and controls only 7.8 per cent of market deposits.

It appears that there is no significant existing competition between Peoples Bank and any of Applicant's present subsidiary banks, of which the nearest to Peoples Bank is 50 miles south in Sanford. Nor would significant competition be likely to develop in the future, principally because of the distances involved, the number of banks located in each of the intervening areas, and the prohibition against branch banking in Florida. The market area of Peoples Bank is largely rural and growing slowly, and there appears to be little likelihood that Applicant would establish a *de novo* office there. Thus, it appears that consummation of this proposal would not eliminate significant existing competition nor foreclose potential competition. Affiliation with Applicant may enhance the ability of Peoples Bank to compete with the larger banks in its area.

On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not have an adverse effect on competition in any relevant market. The financial condition, management and prospects of Applicant, its subsidiaries, and Peoples Bank are regarded as generally satisfactory. Applicant states that the specialized services of its subsidiaries would be made available to customers of Peoples Bank as the need arises. Thus, considerations concerning community convenience and needs are consistent with approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, for the reasons in the findings summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such 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, May 21, 1971.

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

MISSOURI BANCSHARES, INC., KANSAS CITY, MISSOURI

In the matter of the application of Missouri Bancshares, Inc., Kansas City, Missouri, for approval of acquisition of 83 per cent or more of the voting shares of The Arnold Savings Bank, Arnold, Missouri.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a), an application by Missouri Bancshares, Inc., Kansas City, Missouri ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 83 per cent or more of the voting shares of The Arnold Savings Bank, Arnold, Missouri ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Missouri Commissioner of Finance and requested his views and recommendation. The Commissioner replied that the acquisition would be a very progressive step for banking in Missouri.

Notice of receipt of the application was published in the Federal Register on April 10, 1971 (36 Federal Register 6923), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered.

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

Applicant, Missouri's fifth largest registered bank holding company and banking organization, controls six banks located throughout the State with approximately $382 million in total deposits (approximately 3.7 per cent of total deposits in the State). Applicant's acquisition of Bank ($12.6 million deposits) would increase its share of total deposits in the State by .1 per cent. (Banking data are as of June 30, 1970 and reflect holding company formations and acquisitions approved through April 30, 1971.) Although no subsidiary of Applicant competes in Bank's primary service area, both Bank and one of Applicant's subsidiaries, The First Security Bank, Kirkwood, Missouri, compete in the broad St. Louis banking market (the Missouri portion of the St. Louis SMSA), holding .3 per cent and .5 per cent of total deposits in that area, respectively. However, existing competition between Bank and First Security Bank is minimal and substantial potential competition is unlikely due to the 20-mile distance between the two and the location of five banks in the intervening area. Furthermore, Kirkwood is a suburban community, and its commuting residents avoid the most direct connecting route, heavily traveled by local traffic, in favor of the interstate highway which bypasses Bank. Based on the facts of record, it appears that no existing competition would be eliminated by consummation of the proposal, significant potential competition would not be foreclosed, and there would not be adverse effects on any competing bank.

Financial and managerial resources and prospects of Applicant, its subsidiary banks, and Bank are satisfactory, in the light of Applicant's intention to improve the capital structure of Bank. Considerations concerning convenience and needs of the communities to be served lend weight toward approval, in that Applicant intends to provide operational service and advice to Bank. Although the banking needs of the area are being adequately served, Applicant intends to enable Bank to offer an additional competitive alternative for such services as trust services. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

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

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

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

TEXAS COMMERCE BANCSHARES, INC., HOUSTON, TEXAS

In the matter of the application of Texas Commerce Bancshares, Inc., Houston, Texas, for approval of action to become a bank holding company.

ORDER APPROVING ACTION TO BECOME A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Texas Commerce Bancshares, Inc., Houston, Texas ("Applicant"), for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of the successor by merger to Texas Commerce Bank National Association, Houston, Texas ("Texas Commerce"). As an incident to the merger, Applicant would acquire the beneficial ownership of more than 20 but less than 25 per cent of the shares of each of the following six Texas banks: Airline National Bank of Houston (24.9 per cent); North Freeway Bank, Houston (24.9 per cent); Reagan State Bank of Houston (24.9 per cent); First National Bank of Stafford (24.7 per cent); Chemical Bank and Trust Company, Houston (21.1 per cent); and Lockwood National Bank of Houston (20.4 per cent).

The described shares of the six banks other than Texas Commerce are owned by Texas Commerce Shareholders Company, all the shares of which are held by trustees for the benefit of the shareholders of Texas Commerce. As a result of the merger, Applicant will succeed to beneficial ownership of all of the shares of Texas Commerce Shareholders Company, and, indirectly, of the described shares of the six banks.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and the Texas Commissioner of Banking, and requested their views and recommendations. Both recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on March 24, 1971 (36 Federal Register 5537), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant is a newly-formed organization and has no operating history. Upon acquisition of

Texas Commerce ($865 million of deposits), Applicant would become the fourth largest bank holding company in the State and would control about 4 per cent of the deposits in the State. (All banking data are as of June 30, 1970, and reflect holding company acquisitions approved through April 30, 1971.)

Texas Commerce is located in downtown Houston. It is the second largest banking organization in the Houston area with control of 16.3 per cent of the deposits in the Houston SMSA, which approximates the relevant market. (Texas Commerce will be merged into a nonoperating bank which has significance only as a vehicle to accomplish the acquisition of all the shares of Texas Commerce. Acquisition of the shares of the resulting bank is treated as an acquisition of the shares of Texas Commerce.)

Airline National Bank of Houston ($24 million of deposits), North Freeway Bank ($3 million of deposits), Reagan State Bank of Houston ($54 million of deposits), First National Bank of Stafford ($7 million of deposits), Chemical Bank and Trust Company ($19 million of deposits), and Lockwood National Bank ($26 million of deposits) are all located in areas in or adjacent to the city of Houston.

Texas Commerce acquired its indirect interest in five of the six banks in 1968 in order to establish correspondent relationships with these retail banks and make it a stronger competitor of the other large Houston banks. In 1969 it participated in the organization of, and thereby acquired an interest in, North Freeway Bank. While Texas Commerce presently exerts some influence over the operations of these six banks, the Board notes Applicant's assertion that they "will not be controlled by Applicant [and] they will not be subsidiaries of Applicant within the meaning of the term 'subsidiaries' as defined in the Act." Since it appears that the proposed transaction is essentially a corporate reorganization of existing interests and reflects neither expansion of the group nor an increase in the banking resources controlled by it, consummation of Applicant's proposal is not expected to affect existing or potential banking competition.

On the basis of the record before it, the Board concludes that consummation of this proposal would not have a significant adverse effect on competition in any relevant area. Considerations relating to financial and managerial resources and prospects as they relate to Applicant, Texas Commerce and the six associated banks are consistent with approval of the application. Applicant will begin operations in a satisfactory financial condition and will be able to draw management expertise from Texas Commerce. Its prospects, which depend largely on those of Texas Commerce, are favorable. The convenience and needs of the Houston area will not be materially affected by consummation of Applicant's proposal. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, May 27, 1971.

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

THE CENTRAL BANCORPORATION, INC., CINCINNATI, OHIO

In the matter of the application of The Central Bancorporation, Inc., Cincinnati, Ohio, for approval of acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The First Trust and Savings Bank, Zanesville, Ohio.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)), and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by The Central Bancorporation, Inc., Cincinnati, Ohio ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The First Trust and Savings Bank, Zanesville, Ohio ("Bank"). The new bank has significance only as a means of acquiring all of the shares of the bank to be merged into it; the proposal is therefore treated herein as one to acquire shares of The First Trust and Savings Bank.

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

Notice of receipt of the application was published in the Federal Register on April 15, 1971 (36 Federal Register 7160), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant, the ninth largest banking organization in Ohio, controls two banks with deposits of approximately $501 million, representing less than 3 per cent of total commercial bank deposits in the State. (All banking data are as of June 30, 1970, adjusted to reflect holding company formations and acquisitions approved by the Board through April 30, 1971). The acquisition of Bank, with deposits of $24 million, would increase Applicant's control of deposits in the State by only 0.1 per cent, and its present ranking among banking organizations in the State would not change.

Bank has five offices and is the smallest of three banks located by Muskingum County, all of which are headquartered in Zanesville. The two larger banks control approximately 43 and 30 per cent of county deposits, respectively, and Bank controls 27 per cent of such deposits. Applicant's subsidiary nearest to Bank is located in Marietta, 60 miles southeast of Zanesville, and the nearest offices of the two banks are separated by one county and five banking offices. It appears that there is no significant present competition between Applicant's subsidiaries and Bank; that consummation of the proposal could serve to stimulate additional competition in the Zanesville area by severing a present relationship between Bank and the largest bank in Zanesville. It further appears that the proposed acquisition would not foreclose significant potential competition because of Ohio's restrictive branching laws and of the distances involved; nor does it appear that any competing banks would be adversely affected by the proposed acquisition. Based upon the record, the Board concludes that consummation of the proposed acquisition would have no significant adverse effect on competition in any relevant area.

The banking factors and convenience and needs considerations involved in this proposal are consistent with and lend some weight in favor of approval of the application. Affiliation with Applicant would enhance Bank's prospects, and permit Bank to improve and enlarge present services in its trust department, and in its installment and mortgage lending. In addition, Applicant would assist Bank in researching the feasibility of establishing other branches in northern Muskingum County which is apparently in need of additional banking facilities. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

It is hereby ordered, for the reasons set forth in the findings summarized above, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order, or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Cleveland pursuant to delegated authority.

By order of the Board of Governors, June 1, 1971.

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

(Signed) Kenneth A. Kenyon,
Deputy Secretary

[seal]

FIRST AMERICAN NATIONAL CORPORATION NASHVILLE, TENNESSEE

In the matter of the application of First American National Corporation, Nashville, Tennessee, for approval of action to become a bank holding company.

ORDER APPROVING ACTION TO BECOME A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by First American National Corporation, Nashville, Tennessee ("Applicant"), for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to First American National Bank of Nashville, Nashville, Tennessee ("Bank"), and a nonoperating bank. The nonoperating bank has significance only as a means of acquiring all of the shares of the bank to be merged into it; the proposal is therefore treated herein as one to acquire shares of Bank.

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

Notice of receipt of the application was published in the Federal Register on April 20, 1971 (36 Federal Register 7487), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired, and all those received have been considered by the Board.

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

Applicant is a nonoperating corporation formed for the purpose of acquiring Bank ($565.9 million deposits). (All banking data are as of June 30, 1970, and reflect holding company approvals and acquisitions to date). Upon consummation of the proposal, Applicant will assume Bank's present position as the State's third largest banking organization with 8.5 per cent of total deposits in the State. As Applicant has no present operations or subsidiaries, consummation of the proposal would eliminate neither existing nor potential competition. Neither does it appear that there would be adverse effects on any bank in the area involved.

The financial and managerial resources and prospects of Bank are generally satisfactory, as would be those of Applicant upon approval. Consummation of the proposal would have no immediate effect on the convenience and needs of the community involved. Considerations under these factors are consistent with approval. It is the Board's judgment that consummation of the proposal would be in the public interest and that the application should be approved.

IT IS HEREBY ORDERED, for the reasons summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such 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, June 3, 1971.

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

MISSOURI BANCSHARES, INC., KANSAS CITY, MISSOURI

In the matter of the application of Missouri Bancshares, Inc., Kansas City, Missouri, for approval of acquisition of 90.65 per cent or more of the voting shares of Bank of Ferguson, Ferguson, Missouri.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding

Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Missouri Bancshares, Inc., Kansas City, Missouri ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 90.65 per cent or more of the voting shares of Bank of Ferguson, Ferguson, Missouri ("Bank").

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

Notice of receipt of the application was published in the Federal Register on April 17, 1971 (36 Federal Register 7328), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered.

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

Applicant, the fifth largest registered bank holding company and banking organization in Missouri, has 7 subsidiary banks with $395 million in deposits, representing approximately 3.8 per cent of the total commercial bank deposits in the State. (All banking data are as of June 30, 1970, and reflect holding company formations and acquisitions approved by the Board to date.) Consummation of the proposal herein would increase Applicant's share of total deposits in the State to 4 per cent, and Applicant would become the State's fourth largest registered bank holding company and banking organization.

Bank ($20.9 million deposits) the only bank in Ferguson, is the seventh largest of the 12 banks in its service area, which is approximated by the northeast portion of St. Louis County, and holds 6.7 per cent of that area's deposits. Bank faces strong competition from the other area banks, three of which are affiliated with St. Louis-based holding companies. Applicant has two subsidiaries located 18 and 30 miles from Bank, but the amount of competition between these subsidiaries and Bank appears to be minimal. None of Applicant's other subsidiary banks competes with Bank to any significant extent. Additionally, the development of such competition in the future is considered unlikely because of the distances separating Applicant's subsidiaries and Bank, the presence of numerous banking alternatives, and Missouri's restrictive branching law. Consummation of the proposal may enhance competition by making Bank a more effective competitor in its service area. It does not appear that existing competition would be eliminated, or significant potential competition foreclosed, by consummation of Applicant's proposal, or that there would be undue adverse effects on any bank in the area involved.

On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area. Considerations relating to the financial and managerial resources as they relate to Applicant, its subsidiaries, and Bank are regarded as consistent with approval of the application. Unlike the other area banks, Bank has been operated conservatively and does not appear to have made a broad effort to meet the banking needs of area residents. Applicant proposes to change this conservative policy and to establish new services, including trust services, payroll accounting, and an expanding consumer loan program, which should enable Bank to better serve the expanding needs of the area. These considerations relating to convenience and needs lend weight in support of approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

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

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

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

(Signed) KENNETH A. KENYON,
Deputy Secretary

[SEAL]

SECURITY FINANCIAL SERVICES, INC., SHEBOYGAN, WISCONSIN

In the matter of the application of Security Financial Services, Inc., Sheboygan, Wisconsin, for approval of acquisition of 80 per cent or more of the voting shares of Farmers-Merchants National Bank in Princeton, Princeton, Wisconsin.

ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Security Financial Services, Inc., Sheboygan, Wisconsin ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Farmers-Merchants National Bank in Princeton, Princeton, Wisconsin ("Bank").

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

Notice of receipt of the application was published in the Federal Register on April 22, 1971 (36 Federal Register 7623), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant, the thirteenth largest banking organization in Wisconsin, controls two banks with aggregate deposits of $73 million, representing 0.8 per cent of the State's total deposits. (All banking data are as of June 30, 1970, adjusted to reflect bank holding company formations and acquisitions approved by the Board through April 30, 1971). Upon acquisition of Bank ($11 million in deposits), Applicant would increase its share of State-wide deposits to 0.9 per cent and would become the eleventh largest banking organization in the State.

Bank, the only bank located in Princeton (est. population 1,500), serves the west-central part of Green Lake County. Applicant's two banking subsidiaries are approximately 80 miles east of Bank in Sheboygan.

Bank is the largest of eight banks competing in the Princeton area, holding 19.6 per cent of area deposits. The second and third largest banks in the area hold 17.6 per cent and 16.4 per cent of area deposits, respectively. All of the banks in the area primarily serve the towns in which they are located, and Bank is not regarded as dominating the area. Based upon the record before it, the Board concludes that consummation of the proposed acquisition would not eliminate significant existing or potential competition, nor would it have an adverse competitive effect on other area banks.

Considerations relating to the financial and managerial resources and future prospects, as they relate to Applicant, its subsidiaries, and Bank are regarded as consistent with approval of the application. Bank's affiliation with Applicant would make available trust, travel, and computer services to Bank's customers for the first time and existing services would be improved and broadened. Affiliation would also give Bank the expertise and capability to service certain loan requests that it has avoided in the past because of a lack of experience in handling the larger commercial and agricultural borrowers in the area. Considerations relating to the convenience and needs of the communities served by bank lend some support for approval of the application. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, for the reasons set forth in the findings summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

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

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

(Signed) KENNETH A. KENYON,
Deputy Secretary

[SEAL]

GREAT LAKES HOLDING COMPANY KALAMAZOO, MICHIGAN

In the matter of the application of Great Lakes Holding Company, Kalamazoo, Michigan, for approval of action to become a bank holding company through the acquisition of not less than 89 per cent, nor more than 92 per cent, of the voting shares of Industrial State Bank & Trust Company, Kalamazoo, Michigan.

ORDER APPROVING ACTION TO BECOME A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)), and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Great Lakes Holding Company, Kalamazoo, Michigan, for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of not less than 89 per cent, nor more than 92 per cent, of the voting shares of Industrial State Bank & Trust Company, Kalamazoo, Michigan.

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

Notice of receipt of the application was published in the Federal Register on June 2, 1971 (36 Federal Register 10756), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

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

Applicant is a nonoperating Michigan corporation recently formed for the purpose of acquiring Bank with deposits of $106 million as of December 31, 1970. As Applicant has no present operations or subsidiaries, consummation of the proposal would eliminate neither existing nor potential competition, and there would be no adverse effects on competing banks.

The acquisition proposed herein would result in Bank's becoming a stronger and more viable banking institution, and a more effective competitor in the relevant area. Banking factors involved weigh heavily in favor of approval of the application since Applicant will provide Bank with an additional $2 million of needed capital and has formulated plans to improve Bank's present operating procedures. The Michigan Commissioner of Financial Institutions has recommended approval of the application based on the proposed improvement of Bank's capital position and management under Applicant's control. Whereas there is no indication that present banking needs of the area are not being adequately served at the present time, it is apparent that consummation of the proposal would strengthen the Bank and enable it to serve better the banking needs of its area. Therefore, considerations relating to the convenience and needs of the communities to be served also lend weight in favor of approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, June 11, 1971.

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

(Signed) KENNETH A. KENYON,
Deputy Secretary.

[SEAL]

Announcements

CHANGE IN BOARD STAFF

The Board of Governors of the Federal Reserve System has announced the promotion, effective May 31, 1971, of James B. Eckert to the position of Associate Adviser in the Division of Research and Statistics.

APPOINTMENT OF RESERVE BANK OFFICERS

The Board of Governors has approved the appointment by the directors of the Federal Reserve Bank of Cleveland of Willis J. Winn as President of that Bank, effective September 1.

Mr. Winn has been Dean of the Wharton School of Finance and Commerce and Vice Provost of the University of Pennsylvania since 1958. From 1961 to 1970 he was a director of the Federal Reserve Bank of Philadelphia and served as its chairman from 1966 to 1970. He holds degrees from Central College, Fayette, Missouri (A.B. and LL.D.), the University of Pennsylvania (M.A. and Ph.D.), and Villanova University (LL.D.).

The directors of the Federal Reserve Bank of St. Louis have named Eugene A. Leonard as First Vice President, effective August 1, to succeed Dale M. Lewis. Mr. Leonard has been associated with the Federal Reserve Bank of St. Louis since 1961 and has been Senior Vice President since 1970. On loan to the Board of Governors since August of last year, he has been serving as an Assistant Secretary in the Office of the Secretary.

STATEMENT OF POLICY ON PAYMENTS MECHANISM

The Board of Governors issued on June 17, 1971, a policy statement calling for basic changes in the Nation's system for handling money payments. These are, essentially, transitional steps toward replacing the use of checks with electronic transfer of funds. The Board's statement, which was directed to the Presidents of the 12 Federal Reserve Banks, is as follows:

Increasing the speed and efficiency with which the rapidly mounting volume of checks is handled is becoming a matter of urgency. Until electronic facilities begin to replace check transfer in substantial volume, the present system is vulnerable to serious transportation delays and manpower shortages. Structural changes in the present check-clearing system can effect significant savings in manpower and unnecessary handling of checks. These changes will result in faster, more convenient, and more economical banking services for the public. They will reduce the cost of operations. The Board therefore states as a matter of policy that it places high priority upon efforts by the Federal Reserve System to improve the Nation's means of making payments, initially along the following lines:

1. *Extending present clearing arrangements, in cities with Federal Reserve offices, into larger zones of immediate payment,* consistent with transportation possibilities, check volumes, and the location of check-processing centers.
2. *Establishing other regional clearing facilities, in which settlements are made in immediately available funds,* located wherever warranted by the need for more expeditious and economical check handling, or other operating and financial conditions.
3. (*a*) *Encouraging banks and their customers to make greater use of the expanded capabilities of the Federal Reserve wire transfer system.* (*b*) *Removing restrictions on third-party transfers of demand deposits, and extending the time period in which the wire transfer system can be used.* (*c*) *Expanding facilities at Reserve Bank offices,* where justified by traffic potentials, to include high-speed tape transmission, and computer-to-computer communications.

Plans for making these basic changes in the present money transfer system should be pursued actively, to achieve as soon as possible an accelerated flow of funds along more optimal routing patterns. These initiatives are generally intended to supplement those efficient direct check-exchange programs that are now in existence.

The first objective should be expanasion of the geographic area of existing immediate payment zones. This should be accomplished as soon as necessary arrangements can be made. Meantime, studies looking to the establishment of new clearing centers, wherever warranted, should be undertaken promptly by each Federal Reserve Bank, and submitted to the Board for review. Expansion of facilities at Federal Reserve offices for increased access to the Reserve System's wire network should be concluded at the earliest practicable time, generally during the next 12 to 18 months.

TRANSFER OF FEDERAL RESERVE BRANCH TERRITORY

The territory of the Denver Branch of the Federal Reserve Bank of Kansas City will be extended effective July 6, 1971, to include the State of Wyoming. Wyoming has been in the territory served by the Omaha Branch of the Federal Reserve Bank of Kansas City.

PUBLICATION OF ANNUAL REPORT

The Fifty-Seventh Annual Report of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1970, is available for distribution. Copies may be obtained upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

INFORMATION ON FAIR CREDIT REPORTING ACT

The Board of Governors on May 24, 1971, issued a series of questions and answers to assist financial institutions in complying with the Fair Credit Reporting Act (a portion of Public Law 91-508). The general purpose of the Act, which became effective on April 25, is to assure fair and accurate reporting of information regarding consumers.

The questions and answers were prepared jointly by the staffs of the Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, each of which will issue them to institutions under its supervision. The information is not a regulation of the Board and is merely designed to provide guidance to financial institutions. Institutions that act in accordance with the information, however, will be regarded by the Board's examiners as acting in compliance with the Act.

MORTGAGE COMMITMENT DATA

Data for mortgage commitments of $100,000 and over authorized by 15 life insurance companies to acquire loans on nonfarm multifamily and nonresidential properties—only for the period 1951 through 1970—may be obtained from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Included in the tabulations are monthly, quarterly, and annual statistics on total number of loans and total loan amount, and also averages for loan amount, contract interest rate, maturity, loan-to-value ratio, per cent constant, debt coverage ratio, and capitalization rate. Collection of these data was initiated as part of the broad study of interest rates conducted by the National Bureau of Economic Research, aided by grants from the Life Insurance Association of America. The Federal Reserve assisted in certain phases of collecting and tabulating the commitment data prior to mid-1965 and is in the process of analyzing all of the statistics. Current data are collected by the Life Insurance Association of America.

National Summary of Business Conditions

Released for publication June 14

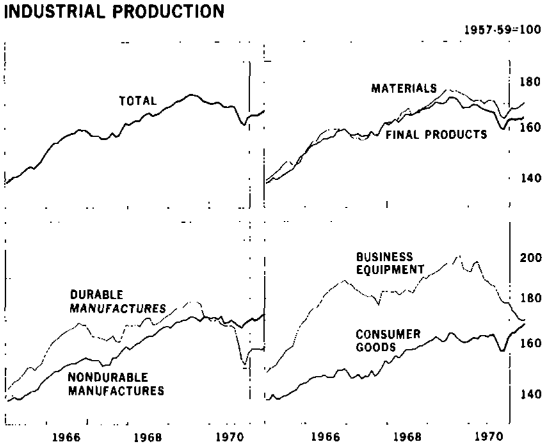
Industrial production and nonfarm employment increased in May. The unemployment rate edged up further and retail sales declined. Wholesale prices continued to advance. Commercial bank credit, the money supply, and time and savings deposits increased in May. Between mid-May and mid-June, yields on short and intermediate U.S. Government securities rose and yields on municipal bonds declined.

INDUSTRIAL PRODUCTION

Industrial production rose 0.7 per cent further in May and at 167.3 per cent of the 1957–59 average was 4.2 per cent below the mid-1969 peak. Output of consumer goods and materials continued to rise and production of total equipment leveled off following earlier declines.

Auto assemblies rose 5 per cent and were at an annual rate of 8.5 million units. Production schedules for June indicate little change from the May rate. Output of furniture and consumer staples increased further in May, while production of appliances and television sets changed little. Output of business and defense equipment, which declined about one-fifth from the 1969 peak to April, rose 0.3 per cent in May. Production of iron and steel, textiles, rubber, and chemicals increased. Output of coal and petroleum products, however, declined.

INDUSTRIAL PRODUCTION



F.R. indexes, seasonally adjusted. Latest figures: May.

EMPLOYMENT

Nonfarm payroll employment rose moderately in May, reflecting increases in trade, durable goods manufacturing, and State and local governments. The average workweek of manufacturing production workers rose 0.2 hour, returning to the March level of 39.9 hours. The unemployment rate edged up further in May to 6.2 per cent, the same as in December 1970.

RETAIL SALES

The value of retail sales declined nearly 1 per cent in May, according to the advance report, and was 6 per cent above a year earlier. Durable goods sales were 3 per cent lower and nondurable goods sales were unchanged.

WHOLESALE AND CONSUMER PRICES

Wholesale prices, seasonally adjusted, increased 0.3 per cent between April and May. Industrial commodities rose 0.4 per cent, reflecting sharply higher prices for metals and metal products and fuels. Prices of farm and food products dropped 0.2 per cent with declines in fresh and dried fruits and vegetables, grains, and fluid milk.

The consumer price index rose 0.3 per cent in April, after seasonal adjustment, as food prices continued their rapid advance, but mortgage interest costs and gasoline prices declined.

BANK CREDIT, DEPOSITS, AND RESERVES

Commercial bank credit, adjusted for transfers of loans between banks and their affiliates, increased $4.4 billion in May. This increase followed a slight decline in April but was about the same as the average monthly increase over the first quarter. Growth in loans accounted for a major part of the May credit expansion and was associated principally with increases in loans to businesses and nonbank financial institutions. Holdings of municipal and Federal agency securities increased substantially further but less rapidly than in other recent months while holdings of U.S. Treasury securities were unchanged.

The money stock rose sharply in May—at an annual rate of 16.3 per cent—considerably faster than in April and the first quarter. U.S. Government deposits declined somewhat. Growth in time and savings deposits—at an annual rate of 14.5 per cent—was larger than in April but well below the unusually rapid first quarter expansion. Inflows of time and savings deposits other than large negotiable CD's were about the same as in April but much smaller than earlier in the year. Commercial bank sales of large negotiable CD's increased in May.

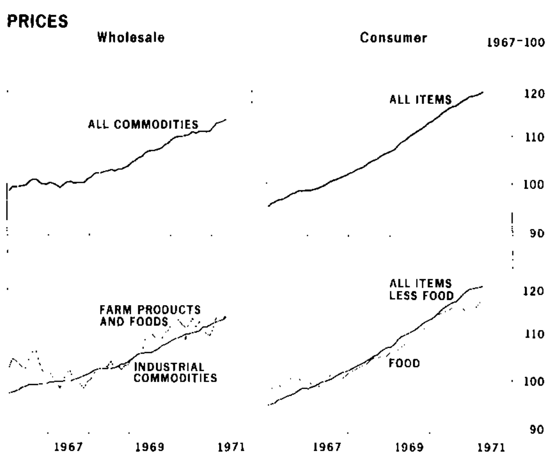
Free reserves of member banks averaged about $10 million over the 4 weeks ending May 26, little different from the average of the previous 4 weeks. Relatively high free reserves in the first half of the month were about offset by net borrowed reserves in the second half. Over May, excess reserves increased on average but member bank borrowings also rose.

SECURITY MARKETS

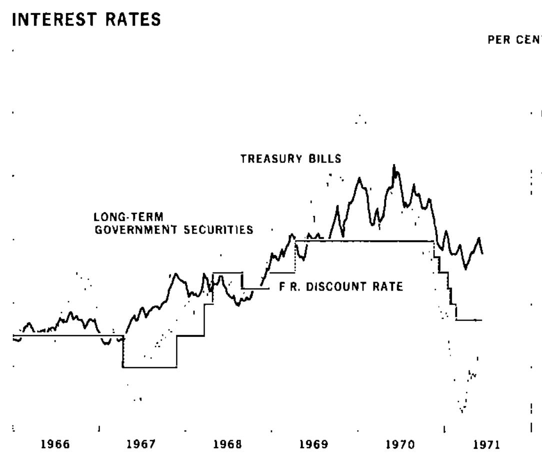
Treasury bill yields rose about 50 to 60 basis points on balance between mid-May and mid-June. The 3-month bill was bid at about 4.70 per cent in the middle of June, compared with around 4.10 per cent a month earlier. Yields on intermediate-term Government notes and bonds rose by about 10 to 15 basis points over the same period, while rates on long-term bonds changed little on balance.

Yields on new corporate securities rose sharply early in the interval, but a subsequent improvement of market conditions brought rates down to month earlier levels by mid-June. Seasoned security rates, which tend to lag new issue yields, rose moderately. Yields on municipal bonds dropped about 10 basis points from mid-May to mid-June.

Common stock prices and volume remained steady on balance over the same period.



Bureau of Labor Statistics. "Farm products and foods" is BLS "Farm products, and processed foods and feeds." Latest figures: Consumer, April; Wholesale, May.



Discount rate, range or level for all F.R. Banks. Weekly average market yields for U.S. Govt. bonds maturing in 10 years or more and for 90-day Treasury bills. Latest figures: week ending June 5.

Financial and Business Statistics

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Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

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

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

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

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

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

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Stock exchange firms, detailed debit and credit balances	Sept. 1970	A-94—A-95

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	Issue	*Page*
Anticipated schedule of release dates for individual releases	June 1971	A-117

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

(In millions of dollars)

Period or date	Factors supplying reserve funds									
	Reserve Bank credit outstanding							Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding
	U.S. Govt. securities [1]			Discounts and advances	Float [2]	Other F.R. assets [3]	Total [4]			
	Total	Bought outright	Held under repurchase agreement							
Averages of daily figures										
1939—Dec.	2,510	2,510	....	8	83	....	2,612	17,518	....	2,956
1941—Dec.	2,219	2,219	....	5	170	....	2,404	22,759	....	3,239
1945—Dec.	23,708	23,708	....	381	652	....	24,744	20,047	....	4,322
1950—Dec.	20,345	20,336	9	142	1,117	....	21,606	22,879	....	4,629
1960—Dec.	27,248	27,170	78	94	1,665	....	29,060	17,954	....	5,396
1965—Dec.	40,885	40,772	113	490	2,349	....	43,853	13,799	....	5,565
1966—Dec.	43,760	43,274	486	570	2,383	....	46,864	13,158	....	6,284
1967—Dec.	48,891	48,810	81	238	2,030	....	51,268	12,436	....	6,777
1968—Dec.	52,529	52,454	75	765	3,251	....	56,610	10,367	....	6,810
1969—Dec.	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367	....	6,841
1970—May	57,265	57,179	86	1,066	2,985	1,708	63,087	11,367	400	6,967
June	57,630	57,584	46	978	2,824	1,369	62,843	11,367	400	6,999
July	58,219	58,003	216	1,432	2,901	1,302	63,912	11,367	400	6,994
Aug.	59,544	59,255	289	849	2,446	1,248	64,134	11,367	400	7,009
Sept.	59,903	59,625	278	607	2,832	1,216	64,619	11,300	400	7,049
Oct.	59,533	59,360	173	462	2,933	1,734	64,708	11,117	400	7,069
Nov.	60,393	60,004	389	425	2,933	1,314	65,132	11,117	400	7,100
Dec.	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Jan.	62,068	61,941	127	370	3,636	1,216	67,363	10,732	400	7,157
Feb.	62,350	62,051	299	328	2,974	1,065	66,797	10,732	400	7,188
Mar.	62,719	62,381	338	319	2,671	896	66,691	10,732	400	7,235
Apr.	63,371	63,153	218	148	3,047	1,103	67,747	10,732	400	7,291
May[p]	64,714	64,368	346	330	2,688	1,076	68,910	10,448	400	7,357
Week ending—										
1971—Mar. 3	62,627	62,479	148	258	2,723	844	66,520	10,732	400	7,210
10	62,206	62,169	37	421	2,906	829	66,414	10,732	400	7,223
17	63,032	62,301	731	290	2,549	879	66,867	10,732	400	7,230
24	62,510	62,423	87	333	2,853	922	66,699	10,732	400	7,242
31	63,076	62,581	495	257	2,482	966	66,874	10,732	400	7,255
Apr. 7	63,268	62,709	559	197	2,718	1,010	67,308	10,732	400	7,268
14	63,114	62,921	193	150	2,958	1,053	67,338	10,732	400	7,284
21	63,526	63,394	132	84	3,259	1,177	68,110	10,732	400	7,296
28	63,476	63,424	52	176	3,252	1,152	68,131	10,732	400	7,309
May 5	64,238	63,808	430	174	2,753	1,186	68,438	10,732	400	7,326
12	64,504	63,981	523	99	2,540	1,297	68,537	10,561	400	7,345
19	64,804	64,452	352	306	2,964	1,109	69,276	10,332	400	7,354
26[p]	64,942	64,764	178	269	2,779	851	68,949	10,332	400	7,372
End of month										
1971—Mar.	64,345	[6] 62,841	1,504	391	2,550	997	68,421	10,732	400	7,270
Apr.	63,721	[6] 63,721	....	81	2,824	1,169	67,851	10,732	400	7,329
May[p]	64,764	[6] 64,764	....	1,051	2,409	927	69,263	10,332	400	7,390
Wednesday										
1971—Mar. 3	62,767	[6] 62,490	277	262	2,859	867	66,846	10,732	400	7,212
10	62,495	[6] 62,233	262	1,521	2,462	861	67,414	10,732	400	7,225
17	63,054	[6] 62,301	753	567	2,752	921	67,442	10,732	400	7,238
24	62,455	[6] 62,405	50	820	2,295	981	66,612	10,732	400	7,249
31	64,345	[6] 62,841	1,504	391	2,550	997	68,421	10,732	400	7,263
Apr. 7	62,216	[6,7] 62,216	....	176	3,731	1,026	67,249	10,732	400	7,274
14	62,904	[6,7] 62,904	....	217	2,759	1,085	67,049	10,732	400	7,290
21	64,015	[6] 63,394	621	88	3,170	1,164	68,529	10,732	400	7,297
28	64,020	[6] 63,659	361	718	2,995	1,197	69,018	10,732	400	7,310
May 5[p]	65,316	[6] 64,043	1,273	802	2,789	1,216	70,262	10,732	400	7,331
12[p]	64,185	[6] 63,921	264	25	2,305	1,324	67,897	10,332	400	7,350
19[p]	65,148	[6] 64,530	618	985	2,754	826	69,861	10,332	400	7,360
26[p]	64,971	[6] 64,764	207	1,274	2,488	871	69,706	10,332	400	7,381

For notes see opposite page.

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

(In millions of dollars)

Factors absorbing reserve funds										
Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves, with F.R. Banks: Treasury	Foreign	Other[2]	Other F.R. accounts[3]	Other F.R. liabilities and capital[3]	Member bank reserves: With F.R. Banks	Currency and coin[5]	Total	Period or date
										Averages of daily figures
7,609	2,402	616	739		248	....	11,473	....	11,473	1939—Dec.
10,985	2,189	592	1,531		292	....	12,812	....	12,812	1941—Dec.
28,452	2,269	625	1,247		493	....	16,027	....	16,027	1945—Dec.
27,806	1,290	615	920	353	739	....	17,391	....	17,391	1950—Dec.
33,019	408	522	250	495	1,029	....	16,688	2,595	19,283	1960—Dec.
42,206	808	683	154	231	389	....	18,747	3,972	22,719	1965—Dec.
44,579	1,191	291	164	429	83	....	19,568	4,262	23,830	1966—Dec.
47,000	1,428	902	150	451	−204	....	20,753	4,507	25,260	1967—Dec.
50,609	756	360	225	458	−1,105	....	22,484	4,737	27,221	1968—Dec.
53,591	656	1,194	146	458	....	2,192	23,071	4,960	28,031	1969—Dec.
53,490	544	1,440	182	845	....	2,215	23,105	4,805	27,910	1970—May
54,125	495	1,065	165	801	....	2,255	22,703	4,864	27,567	June
54,699	450	1,147	191	763	....	2,253	23,170	4,958	28,128	July
54,736	451	1,058	177	830	....	2,275	23,353	4,996	28,349	Aug.
54,931	457	1,070	141	750	....	2,300	23,719	5,106	28,825	Sept.
55,063	459	1,042	142	747	....	2,249	23,593	5,108	28,701	Oct.
55,864	453	890	149	721	....	2,256	23,416	5,142	28,558	Nov.
57,013	427	849	145	735	....	2,265	23,925	5,340	29,265	Dec.
56,192	445	1,028	155	786	....	2,109	24,938	5,550	30,488	1971—Jan.
55,754	465	1,025	153	778	....	2,232	24,710	5,170	29,880	Feb.
56,123	467	783	139	718	....	2,227	24,601	5,085	29,686	Mar.
56,716	499	1,047	148	752	....	2,194	24,814	5,071	29,885	Apr.
57,155	506	1,112	173	690	....	2,244	25,235	5,173	30,408	May^p
										Week ending—
55,719	469	924	138	768	....	2,321	24,522	5,020	29,542	1971—Mar. 3
56,000	467	1,044	136	732	....	2,379	24,011	5,393	29,404	10
56,300	463	547	141	742	....	2,139	24,897	5,058	29,955	17
56,213	465	743	121	698	....	2,141	24,691	4,791	29,482	24
56,110	475	806	162	694	....	2,198	24,817	5,123	29,940	31
56,428	489	1,048	148	828	....	2,281	24,486	5,184	29,670	Apr. 7
56,971	497	807	162	727	....	2,208	24,381	5,244	29,625	14
56,880	502	945	141	760	....	2,112	25,199	4,739	29,938	21
56,610	506	1,338	140	704	....	2,166	25,108	5,049	30,157	28
56,715	519	1,035	154	714	....	2,262	25,497	5,283	30,780	May 5
57,164	507	1,314	167	689	....	2,299	24,703	5,381	30,084	12
57,266	499	1,248	162	697	....	2,148	25,344	5,018	30,362	19
57,165	502	1,045	187	677	....	2,225	25,254	4,994	30,248	26^p
										End of month
56,304	483	858	201	794	....	2,255	25,932	5,124	31,056	1971—Mar.
56,592	509	1,322	162	730	....	2,246	24,752	5,283	30,035	Apr.
57,393	507	805	208	676	....	2,302	25,494	5,207	30,701	May^p
										Wednesday
55,897	469	960	114	740	....	2,355	24,655	5,022	29,677	1971—Mar. 3
56,270	469	1,203	134	745	....	2,402	24,549	5,396	29,945	10
56,363	460	363	134	718	....	2,103	25,671	5,060	30,731	17
56,220	479	926	146	669	....	2,180	24,373	4,792	29,165	24
56,294	481	858	201	794	....	2,255	25,932	5,124	31,056	31
56,864	503	824	163	1,015	....	2,363	23,922	5,185	29,107	Apr. 7
57,102	504	772	148	755	....	2,081	24,108	5,244	29,352	14
56,846	512	1,470	150	715	....	2,137	25,128	4,739	29,867	21
56,713	508	1,401	133	683	....	2,195	25,827	5,051	30,878	28
57,008	519	493	148	685	....	2,313	27,559	5,292	32,851	May 5^p
57,382	500	1,112	161	687	....	2,149	23,988	5,381	29,369	12^p
57,306	507	1,224	195	646	....	2,197	25,878	5,037	30,915	19^p
57,373	505	887	156	671	....	2,241	25,985	4,994	30,979	26^p

1 Includes Federal agency obligations.

2 Beginning with 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.

3 Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were netted together and reported as "Other F.R. accounts."

4 Includes industrial loans and acceptances, until Aug. 21, 1959, when industrial loan program was discontinued. For holdings of acceptances on Wed. and end-of-month dates, see tables on F.R. Banks on following pages. See also note 2.

5 Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning with Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

6 Includes securities loaned—fully secured by U.S. Govt. securities pledged with F.R. Banks.

7 Reflects securities sold, and scheduled to be bought back, under matched sale/purchase transactions.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Reserve city banks: New York City					Reserve city banks: City of Chicago				
	Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves
	Total held	Required[1]	Excess			Total held	Required[1]	Excess			Total held	Required[1]	Excess		
1939—Dec.	11,473	6,462	5,011	3	5,008	5,623	3,012	2,611	....	2,611	1,141	601	540	....	540
1941—Dec.	12,812	9,422	3,390	5	3,385	5,142	4,153	989	....	989	1,143	848	295	....	295
1945—Dec.	16,027	14,536	1,491	334	1,157	4,118	4,070	48	192	−144	939	924	14	....	14
1950—Dec.	17,391	16,364	1,027	142	885	4,742	4,616	125	58	67	1,199	1,191	8	5	3
1960—Dec.	19,283	18,527	756	87	669	3,687	3,658	29	19	10	958	953	4	8	−4
1963—Dec.	20,746	20,210	536	327	209	3,951	3,895	56	37	19	1,056	1,051	5	26	−21
1964—Dec.	21,609	21,198	411	243	168	4,083	4,062	21	35	−14	1,083	1,086	−3	28	−31
1965—Dec.	22,719	22,267	452	454	−2	4,301	4,260	41	111	−70	1,143	1,128	15	23	−8
1967—Dec.	25,260	24,915	345	238	107	5,052	5,034	18	40	−22	1,225	1,217	8	13	−5
1968—Dec.	27,221	26,766	455	765	−310	5,157	5,057	100	230	−130	1,199	1,184	15	85	−70
1969—Dec.	28,031	27,774	257	1,086	−829	5,441	5,385	56	259	−203	1,285	1,267	18	27	−9
1970—May	27,910	27,729	181	976	−795	5,307	5,302	5	176	−171	1,285	1,287	−2	23	−25
June	27,567	27,380	187	888	−701	5,201	5,164	37	132	−95	1,250	1,247	3	....	3
July	28,128	27,987	141	1,358	−1,217	5,315	5,306	9	269	−260	1,290	1,293	−3	129	−132
Aug.	28,349	28,204	145	827	−682	5,381	5,378	3	159	−156	1,298	1,304	−6	61	−67
Sept.	28,825	28,553	272	607	−335	5,497	5,436	61	117	−56	1,316	1,310	6	14	−8
Oct.	28,701	28,447	254	462	−208	5,583	5,542	41	12	29	1,307	1,309	−2	11	−13
Nov.	28,558	28,438	120	425	−305	5,441	5,444	−3	60	−63	1,282	1,283	−1	11	−12
Dec.	29,265	28,993	272	321	−49	5,623	5,589	34	25	9	1,329	1,322	7	4	3
1971—Jan.	30,488	30,209	279	370	−91	5,976	5,917	59	40	19	1,387	1,392	−5	1	−6
Feb.	29,880	29,679	201	328	−127	5,854	5,810	44	29	15	1,403	1,380	23	4	19
Mar.	29,686	29,487	199	319	−120	5,664	5,703	−39	51	−90	1,375	1,384	−9	16	−25
Apr.	29,885	29,745	140	148	−8	5,690	5,696	−6	15	−21	1,392	1,385	7	4	3
May[p]	30,408	30,113	295	330	−35	5,837	5,791	46	113	−67	1,438	1,422	16	13	3
Week ending—															
1970—May 6	28,587	28,237	350	774	−424	5,547	5,440	107	93	14	1,343	1,317	26	86	−60
13	27,745	27,717	28	810	−782	5,293	5,378	−85	150	−235	1,269	1,292	−23	14	−37
20	28,095	27,881	214	1,179	−965	5,515	5,433	82	332	−250	1,311	1,312	−1	....	−1
27	27,331	27,287	44	933	−889	5,023	5,069	−46	86	−132	1,251	1,243	8	....	8
Nov. 4	28,652	28,334	318	423	−105	5,571	5,475	96	11	85	1,298	1,291	7	12	−5
11	28,725	28,443	282	445	−163	5,488	5,466	22	69	−47	1,298	1,319	−21	....	−21
18	28,763	28,599	164	330	−166	5,588	5,558	30	....	30	1,308	1,301	7	....	7
25	28,373	28,297	76	436	−360	5,266	5,327	−61	89	−150	1,231	1,237	−6	18	−24
Dec. 2	28,875	28,458	417	455	−38	5,540	5,391	149	89	60	1,277	1,270	7	18	−11
9	28,718	28,582	136	290	−154	5,387	5,438	−51	....	−51	1,312	1,303	9	....	9
16	29,038	28,918	120	399	−279	5,671	5,634	37	59	−22	1,302	1,327	−25	18	−43
23	29,298	29,088	210	325	−115	5,574	5,602	−28	39	−67	1,341	1,330	11	....	11
30	29,843	29,409	434	270	164	5,843	5,693	150	....	150	1,362	1,332	30	....	30
1971—Jan. 6	30,611	30,035	576	407	169	6,064	5,902	162	71	91	1,396	1,411	−15	....	−15
13	30,242	30,210	32	277	−245	5,850	5,910	−60	....	−60	1,402	1,384	18	....	18
20	31,029	30,937	92	472	−380	6,165	6,198	−33	92	−125	1,424	1,464	−40	5	−45
27	30,172	29,890	282	354	−72	5,752	5,760	−8	26	−34	1,373	1,335	38	....	38
Feb. 3	29,959	29,722	237	283	−46	5,775	5,742	33	....	33	1,331	1,346	−15	....	−15
10	29,760	29,555	205	247	−42	5,685	5,755	−70	....	−70	1,379	1,367	12	....	12
17	30,202	29,905	297	561	−264	6,118	6,043	75	117	−42	1,367	1,388	−21	18	−39
24	29,916	29,599	317	250	67	5,770	5,732	38	....	38	1,417	1,386	31	....	31
Mar. 3	29,542	29,372	170	258	−88	5,583	5,568	15	....	15	1,387	1,402	−15	....	−15
10	29,404	29,322	82	421	−339	5,595	5,657	−62	120	−182	1,355	1,367	−12	44	−56
17	29,955	29,690	265	290	−25	5,853	5,830	23	46	−23	1,447	1,419	28	....	28
24	29,482	29,414	68	333	−265	5,664	5,669	−5	59	−64	1,354	1,365	−11	14	−25
31	29,940	29,564	376	257	119	5,847	5,714	133	....	133	1,390	1,379	11	14	−3
Apr. 7	29,670	29,393	277	197	80	5,569	5,631	−62	....	−62	1,367	1,351	16	....	16
14	29,625	29,417	208	150	58	5,748	5,652	96	17	79	1,346	1,367	−21	....	−21
21	29,938	29,857	81	84	−3	5,728	5,784	−56	....	−56	1,381	1,384	−3	....	−3
28	30,157	30,109	48	176	−128	5,625	5,682	−57	46	−103	1,430	1,418	12	18	−6
May 5	30,780	30,415	365	174	191	5,907	5,817	90	46	44	1,440	1,449	−9	....	−9
12	30,084	29,854	230	99	131	5,657	5,716	−59	39	−98	1,424	1,393	31	....	31
19	30,362	30,260	102	306	−204	5,986	5,967	19	143	−124	1,426	1,455	−29	41	−70
26[p]	30,248	30,073	175	269	−94	5,755	5,781	−26	100	−126	1,444	1,416	28	18	10

For notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS—Continued

(In millions of dollars)

Other reserve city banks					Country banks					Period
Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves	
Total held	Required[1]	Excess			Total held	Required[1]	Excess			
3,140	1,953	1,188	....	1,188	1,568	897	671	3	668	1939—Dec.
4,317	3,014	1,303	1	1,302	2,210	1,406	804	4	800	1941—Dec.
6,394	5,976	418	96	322	4,576	3,566	1,011	46	965	1945—Dec.
6,689	6,458	232	50	182	4,761	4,099	663	29	634	1950—Dec.
7,950	7,851	100	20	80	6,689	6,066	623	40	583	1960—Dec.
8,393	8,325	68	190	−122	7,347	6,939	408	74	334	1963—Dec.
8,735	8,713	22	125	−103	7,707	7,337	370	55	315	1964—Dec.
9,056	8,989	67	228	−161	8,219	7,889	330	92	238	1965—Dec.
10,081	10,031	50	105	−55	8,901	8,634	267	80	187	1967—Dec.
10,990	10,900	90	270	−180	9,875	9,625	250	180	70	1968—Dec.
10,970	10,964	6	479	−473	10,335	10,158	177	321	−144	1969—Dec.
10,978	10,948	30	477	−447	10,340	10,192	148	300	−152	1970—May
10,849	10,847	2	489	−487	10,267	10,122	145	267	−122	June
11,074	11,118	−44	682	−726	10,449	10,270	179	278	−99	July
11,174	11,178	−4	424	−428	10,496	10,344	152	183	−31	Aug.
11,407	11,375	32	369	−337	10,605	10,432	173	107	66	Sept.
11,319	11,270	49	338	−289	10,492	10,326	166	101	65	Oct.
11,216	11,274	−58	301	−359	10,619	10,437	182	53	129	Nov.
11,548	11,506	42	264	−222	10,765	10,576	189	28	161	Dec.
11,974	11,962	12	294	−282	11,151	10,938	213	35	178	1971—Jan.
11,647	11,712	−65	268	−333	10,976	10,777	199	27	172	Feb.
11,732	11,651	81	236	−155	10,915	10,749	166	16	150	Mar.
11,754	11,789	−35	119	−154	11,049	10,875	174	10	164	Apr.
11,913	11,837	76	137	−61	11,220	11,063	157	67	90	May[p]
										Week ending—
11,210	11,145	65	382	−317	10,487	10,335	152	213	−61	1970—May 6
10,882	10,913	−31	442	−473	10,301	10,134	167	204	−37	13
10,986	10,993	−7	553	−560	10,283	10,143	140	294	−154	20
10,748	10,793	−45	397	−442	10,309	10,182	127	450	−323	27
11,215	11,188	27	314	−287	10,568	10,380	188	86	102	Nov. 4
11,383	11,326	57	311	−254	10,556	10,332	224	65	159	11
11,313	11,343	−30	296	−326	10,554	10,397	157	34	123	18
11,215	11,206	9	288	−279	10,661	10,527	134	41	93	25
11,325	11,269	56	301	−245	10,733	10,528	205	47	158	Dec. 2
11,363	11,356	7	263	−256	10,656	10,485	171	27	144	9
11,415	11,460	−45	294	−339	10,650	10,497	153	28	125	16
11,611	11,564	47	261	−214	10,772	10,592	180	25	155	23
11,682	11,666	16	245	−229	10,956	10,718	238	25	213	30
12,028	11,903	125	310	−185	11,123	10,819	304	26	278	1971—Jan. 6
11,912	11,996	−84	249	−333	11,078	10,920	158	28	130	13
12,214	12,246	−32	332	−364	11,226	11,029	197	43	154	20
11,862	11,800	62	286	−224	11,185	10,995	190	42	148	27
11,766	11,759	7	253	−246	11,087	10,875	212	30	182	Feb. 3
11,728	11,702	26	229	−203	10,968	10,731	237	18	219	10
11,733	11,753	−20	380	−400	10,984	10,721	263	46	217	17
11,744	11,673	71	228	−157	10,985	10,808	177	22	155	24
11,633	11,655	−22	242	−264	10,939	10,747	192	16	176	Mar. 3
11,537	11,572	−35	244	−279	10,917	10,726	191	13	178	10
11,774	11,724	50	231	−181	10,881	10,717	164	13	151	17
11,567	11,613	−46	245	−291	10,897	10,767	130	15	115	24
11,752	11,694	58	221	−163	10,951	10,777	174	22	152	31
11,758	11,634	124	184	−60	10,976	10,777	199	13	186	Apr. 7
11,622	11,702	−80	127	−207	10,909	10,696	213	6	207	14
11,807	11,826	−19	80	−99	11,022	10,863	159	4	155	21
11,910	11,955	−45	98	−143	11,192	11,054	138	14	124	28
12,044	11,939	105	101	4	11,389	11,210	179	27	152	May 5
11,826	11,752	74	42	32	11,177	10,993	184	18	166	12
11,805	11,871	−66	71	−137	11,145	10,967	178	51	127	19
11,831	11,786	45	94	−49	11,218	11,090	128	57	71	26[p]

[1] Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

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

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

Required reserves: Based on deposits as of opening of business each day.

Borrowings at F.R. Banks: Based on closing figures.

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending—	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
		Less—		Net—		Gross transactions			Net transactions				
	Excess reserves[1]	Borrowings at F.R. Banks	Net interbank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Purchases	Sales	Total two-way transactions[2]	Purchases of net buying banks	Sales of net selling banks	Loans to dealers[3]	Borrowings from dealers[4]	Net loans
Total—46 banks													
1971—Apr. 7	185	....	8,213	−8,028	63.5	11,183	2,970	2,799	8,384	171	2,811	183	2,629
14	93	17	9,940	−9,863	77.2	13,232	3,293	3,132	10,100	161	3,246	135	3,110
21	37	1	9,343	−9,307	71.8	12,759	3,417	3,186	9,573	231	2,174	255	1,919
28r	−62	65	6,200	−6,328	48.8	9,817	3,617	3,083	6,735	534	1,543	275	1,268
May 5	134	85	5,310	−5,261	40.3	9,082	3,772	3,331	5,752	442	1,642	295	1,347
12	136	59	7,285	−7,209	56.1	11,371	4,086	3,234	8,137	852	1,360	504	856
19	−14	182	7,267	−7,463	56.3	11,515	4,249	3,316	8,199	933	1,401	477	924
26	51	126	5,661	−5,737	44.3	9,406	3,745	2,850	6,556	895	1,264	284	980
8 in New York City													
1971—Apr. 7	11	....	3,566	−3,556	69.7	4,089	523	523	3,566	....	1,471	88	1,383
14	97	17	4,444	−4,365	85.1	5,000	555	555	4,444	....	1,545	45	1,500
21	38	....	4,752	−4,714	89.6	5,208	456	456	4,752	....	1,436	90	1,346
28	−34	42	2,760	−2,837	55.0	3,546	786	786	2,760	....	986	117	869
May 5	53	46	2,248	−2,240	42.4	3,014	767	767	2,248	....	1,157	155	1,002
12	....	39	3,747	−3,786	73.0	4,335	588	588	3,747	....	977	225	751
19	21	134	4,408	−4,522	83.1	4,962	554	554	4,408	....	986	160	826
26	3	92	3,080	−3,168	60.3	3,601	522	522	3,080	....	879	141	737
38 outside New York City													
1971—Apr. 7	174	....	4,647	−4,473	59.3	7,094	2,447	2,276	4,817	171	1,340	95	1,246
14	−4	....	5,495	−5,499	72.0	8,233	2,737	2,577	5,656	161	1,700	90	1,610
21	−1	1	4,591	−4,593	59.7	7,552	2,961	2,730	4,822	231	738	165	573
28r	−28	23	3,440	−3,491	44.8	6,271	2,831	2,297	3,974	534	557	158	399
May 5	81	40	3,062	−3,021	38.8	6,068	3,006	2,564	3,504	442	485	140	345
12	135	20	3,538	−3,423	44.7	7,036	3,498	2,645	4,390	852	383	279	105
19	−34	47	2,859	−2,940	37.7	6,553	3,694	2,762	3,791	933	415	316	98
26	48	35	2,581	−2,569	33.4	5,804	3,223	2,328	3,476	895	385	143	243
5 in City of Chicago													
1971—Apr. 7	18	....	1,450	−1,432	116.6	1,846	396	335	1,511	61	112	....	112
14	−1	....	1,712	−1,713	138.1	2,100	387	341	1,759	46	114	....	114
21	−9	....	1,718	−1,726	137.3	2,118	400	350	1,768	50	92	....	92
28	6	18	1,404	−1,416	109.6	1,756	352	310	1,446	42	99	....	99
May 5	−1	....	1,156	−1,156	87.6	1,632	476	431	1,201	65	65	....	65
12	24	....	1,491	−1,467	115.7	2,005	514	450	1,556	65	32	....	32
19	−7	41	1,337	−1,385	104.3	1,916	580	523	1,393	57	48	....	48
26	12	18	1,154	−1,160	89.9	1,681	527	480	1,201	47	45	....	45
33 others													
1971—Apr. 7	157	....	3,197	−3,040	48.2	5,248	2,051	1,941	3,307	110	1,228	95	1,134
14	−3	....	3,783	−3,785	59.2	6,133	2,350	2,235	3,898	115	1,587	90	1,497
21	8	1	2,873	−2,867	44.5	5,434	2,561	2,380	3,054	181	646	165	481
28r	−34	5	2,036	−2,076	31.9	4,515	2,479	1,987	2,528	492	458	158	300
May 5	82	40	1,907	−1,865	28.9	4,436	2,529	2,133	2,303	397	421	140	280
12	112	20	2,047	−1,956	30.6	5,030	2,983	2,196	2,835	788	352	279	73
19	−27	6	1,522	−1,555	24.0	4,637	3,115	2,239	2,398	876	367	316	51
26	36	17	1,428	−1,409	22.0	4,123	2,696	1,848	2,275	847	340	143	198

[1] Based upon reserve balances, including all adjustments applicable to the reporting period. Prior to Sept. 25, 1968, carryover reserve deficiencies, if any, were deducted. Excess reserves for later periods are net of all carryover reserves.

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

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

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

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

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Advances to and discounts for member banks						Advances to all others under last par. Sec. 13[3]		
	Advances and discounts under Secs. 13 and 13a [1]			Advances under Sec. 10(b)[2]					
	Rate on May 31, 1971	Effective date	Previous rate	Rate on May 31, 1971	Effective date	Previous rate	Rate on May 31, 1971	Effective date	Previous rate
Boston	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7
New York	4¾	Feb. 19, 1971	5	5¼	Feb. 19, 1971	5½	6¾	Feb. 19, 1971	7
Philadelphia	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7
Cleveland	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7
Richmond	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 26, 1971	7
Atlanta	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7
Chicago	4¾	Feb. 13 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7
St. Louis	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7
Minneapolis	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7
Kansas City	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7
Dallas	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7
San Francisco	4¾	Feb. 13, 1971	5	5¼	Feb. 13, 1971	5½	6¾	Feb. 13, 1971	7

[1] Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations or any other obligations eligible for F.R. Bank purchase. Maximum maturity: 90 days except that discounts of certain bankers' acceptances and of agricultural paper may have maturities not over 6 months and 9 months, respectively.

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

[3] Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof. Maximum maturity: 90 days.

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1945	† ½	½
1946—Apr. 25	† ½–1	1
May 10	1	1
1948—Jan. 12	1 –1¼	1¼
19	1¼	1¼
Aug. 13	1¼–1½	1½
23	1½	1½
1950—Aug. 21	1½–1¾	1¾
25	1¾	1¾
1953—Jan. 16	1¾–2	2
23	2	2
1954—Feb. 5	1¾–2	1¾
15	1¾	1¾
Apr. 14	1½–1¾	1¾
16	1½–1¾	1½
May 21	1½	1½
1955—Apr. 14	1½–1¾	1½
15	1½–1¾	1¾
May 2	1¾	1¾
Aug. 4	1¾–2¼	1¾
5	1¾–2¼	2
12	2 –2¼	2
Sept. 9	2 –2¼	2¼
13	2¼	2¼
Nov. 18	2¼–2½	2½
23	2½	2½
1956—Apr. 13	2½–3	2¾
20	2¾–3	2¾
Aug. 24	2¾–3	3
31	3	3

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1957—Aug. 9	3 –3½	3
23	3½	3½
Nov. 15	3 –3½	3
Dec. 2	3	3
1958—Jan. 22	2¾–3	3
24	2¾–3	2¾
Mar. 7	2¼–3	2¼
13	2¼–2¾	2¼
21	2¼	2¼
Apr. 18	1¾–2¼	1¾
May 9	1¾	1¾
Aug. 15	1¾–2	1¾
Sept. 12	1¾–2	2
23	2	2
Oct. 24	2 –2½	2
Nov. 7	2½	2½
1959—Mar. 6	2½–3	3
16	3	3
May 29	3 –3½	3½
June 12	3½	3½
Sept. 11	3½–4	4
18	4	4
1960—June 3	3½–4	4
10	3½–4	3½
14	3½	3½
Aug. 12	3 –3½	3
Sept. 9	3	3
1963—July 17	3 –3½	3½
26	3½	3½
1964—Nov. 24	3½–4	4
30	4	4

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1965—Dec. 6	4 –4½	4½
13	4½	4½
1967—Apr. 7	4 –4½	4
14	4	4
Nov. 20	4 –4½	4½
27	4½	4½
1968—Mar. 15	4½–5	4½
22	5	5
Apr. 19	5 –5½	5½
26	5½	5½
Aug. 16	5¼–5½	5½
30	5¼	5¼
Dec. 18	5¼–5½	5½
20	5½	5½
1969—Apr. 4	5½–6	6
8	6	6
1970—Nov. 11	5¾–6	6
13	5¾–6	5¾
16	5¾	5¾
Dec. 1	5½–5¾	5¾
4	5½–5¾	5½
11	5½	5½
1971—Jan. 8	5¼–5½	5¼
15	5¼	5¼
19	5 –5¼	5¼
22	5 –5¼	5
29	5	5
Feb. 13	4¾–5	5
19	4¾	4¾
In effect May 31, 1971	4¾	4¾

† Preferential rate of ½ of 1 per cent for advances secured by U.S. Govt. obligations maturing in 1 year or less. The rate of 1 per cent was continued for discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations with maturities beyond 1 year.

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1946, see *Banking and Monetary Statistics*, 1943, pp. 439–42 and Supplement to Section 12, p. 3.

The rate charged by the F.R. Bank of N.Y. on repurchase contracts against U.S. Govt. obligations was the same as its discount rate except in the following periods (rates in percentages): **1955**—May 4–6, 1.65; Aug. 4, 1.85; Sept. 1–2, 2.10; Sept. 8, 2.15; Nov. 10, 2.375; **1956**—Aug. 24–29, 2.75; **1957**—Aug. 22, 3.50; **1960**—Oct. 31–Nov. 17, Dec. 28–29, 2.75; **1961**—Jan. 9, Feb. 6–7, 2.75; Apr. 3–4, 2.50; June 29, 2.75; July 20, 31, Aug. 1–3, 2.50; Sept. 28–29, 2.75; Oct. 5, 2.50; Oct. 23, Nov. 3, 2.75; **1962**—Mar. 20–21, 2.75; **1964**—Dec. 10, 3.85; Dec. 15, 17, 22, 24, 28, 30, 31, 3.875; **1965**—Jan. 4–8, 3.875; **1968**—Apr. 4, 5, 11, 15, 16, 5.125; Apr. 30, 5.75; May 1–3, 6, 9, 13–16, 5.75; June 7, 11–13, 19, 21, 24, 5.75; July 5, 16, 5.625; Aug. 16, 19, 5.25; **1971**—Jan. 21, 27, 4.75; Feb. 1–2, 4.50; 4, 11, 4.25; 16–17, 4.00; 18–19, 3.75, Mar. 1–2, 10, 12, 15–18, 24, 29–31, 3.75. Apr. 1–2, 5–6, 3.75; 13, 15, 21, 28, 4.125. May 3–6, 17, 4.125, 18–20, 4.375, 26–27, 4.50.

RESERVE REQUIREMENTS OF MEMBER BANKS

(Per cent of deposits)

Dec. 31, 1949, through July 13, 1966

Effective date [1]	Net demand deposits [2]			Time deposits (all classes of banks)
	Central reserve city banks	Reserve city banks	Country banks	
In effect Dec. 31, 1949	22	18	12	5
1951—Jan. 11, 16	23	19	13	6
Jan. 25, Feb. 1	24	20	14	....
1953—July 9, 1	22	19	13	....
1954—June 24, 16	21	....	....	5
July 29, Aug. 1	20	18	12	....
1958—Feb. 27, Mar. 1	19½	17½	11½	....
Mar. 20, Apr. 1	19	17	11	....
Apr. 17	18½	....	....	....
Apr. 24	18	16½	....	....
1960—Sept. 1	17½	....	....	....
Nov. 24	....	....	12	....
Dec. 1	16½	....	....	....
1962—July 28	(3)	....	....	....
Oct. 25, Nov. 1	....	....	....	4

Beginning July 14, 1966

Effective date [1]	Net demand deposits [2, 4]				Time deposits [4, 5] (all classes of banks)		
	Reserve city banks		Country banks		Savings deposits	Other time deposits	
	Under $5 million	Over $5 million	Under $5 million	Over $5 million		Under $5 million	Over $5 million
1966—July 14, 21	[6] 16½		[6] 12		[6] 4	[6] 4	5
Sept. 8, 15	....		....		....	....	6
1967—Mar. 2	....		....		3½	3½	....
Mar. 16	....		....		3	3	....
1968—Jan. 11, 18	16½	17	12	12½	....	....	....
1969—Apr. 17	17	17½	12½	13	....	....	....
1970—Oct. 1	....	....	....	....	....	....	5
In effect May 31, 1971	17	17½	12½	13	3	3	5
Present legal requirement:							
Minimum	10		7		3	3	3
Maximum	22		14		10	10	10

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

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

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

4 Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against balances above a specified base due from domestic offices to their foreign branches. Effective Jan. 7, 1971, the applicable reserve percentage was increased from the original 10 per cent to 20 per cent. Regulation D imposes a similar reserve requirement on borrowings above a specified base from foreign banks by domestic offices of a member bank. For details concerning these requirements, see Regulations D and M and appropriate supplements and amendments thereto.

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

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

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

MARGIN REQUIREMENTS

(Per cent of market value)

Period		For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks)		
Beginning date	Ending date	On margin stocks (T, U, G)	On convertible bonds (T, U, G)	On short sales (T)
1937—Nov. 1	1945—Feb. 4	40		50
1945—Feb. 5	July 4	50		50
July 5	1946—Jan. 20	75		75
1946—Jan. 21	1947—Jan. 31	100		100
1947—Feb. 1	1949—Mar. 29	75		75
1949—Mar. 30	1951—Jan. 16	50		50
1951—Jan. 17	1953—Feb. 19	75		75
1953—Feb. 20	1955—Jan. 3	50		50
1955—Jan. 4	Apr. 22	60		60
Apr. 23	Jan. 15	70		70
1958—Jan. 16	1958—Aug. 4	50		50
Aug. 5	Oct. 15	70		70
Oct. 16	1960—July 27	90		90
1960—July 28	1962—July 9	70		70
1962—July 10	1963—Nov. 5	50		50
1963—Nov. 6	1968—Mar. 10	70		70
1968—Mar. 11	June 7	70	50	70
June 8	1970—May 5	80	60	80
Effective May 6, 1970		65	50	65

NOTE.—Regulations G, T, and U, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended; margin requirements are the difference between the market value (100 per cent) and the maximum loan value. The term margin stocks is defined in the corresponding regulation.

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

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates Jan. 1, 1962—July 19, 1966

Type of deposit	Effective date: Jan. 1, 1962	July 17, 1963	Nov. 24, 1964	Dec. 6, 1965
Savings deposits: 1				
12 months or more	4	4	4	4
Less than 12 months	3½	3½		
Other time deposits: 2				
12 months or more	4			
6 months to 12 months	3½	4	4½	5½
90 days to 6 months	2½			
Less than 90 days (30–89 days)	1	1	4	

Rates beginning July 20, 1966

Type of deposit	Effective date: July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970
Savings deposits	4	4	4	4½
Other time deposits: 2				
Multiple maturity: 3				
30–89 days	4	4	4	4½
90 days–1 year				5
1 year to 2 years	5	5	5	5½
2 years and over				5¾
Single-maturity:				
Less than $100,000:				
30 days to 1 year				5
1 year to 2 years	5½	5	5	5½
2 years and over				5¾
$100,000 and over:				
30–59 days			5½	(4)
60–89 days			5¾	(4)
90–179 days	5½	5½	6	6¾
180 days to 1 year			6¼	7
1 year or more				7½

1 Closing date for the Postal Savings System was Mar. 28, 1966. Maximum rates on postal savings accounts coincided with those on savings deposits.

2 For exceptions with respect to certain foreign time deposits, see BULLETINS for Oct. 1962, p. 1279; Aug. 1965, p. 1084; and Feb. 1968, p. 167.

3 Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

4 The rates in effect beginning Jan. 21 through June 23, 1970, were 6¼ per cent on maturities of 30–59 days and 6½ per cent on maturities of 60–89 days. Effective June 24, 1970, maximum interest rates on these maturities were suspended until further notice.

NOTE.—Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation Q; however, a member bank may not pay a rate in excess of the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

DEPOSITS, CASH, AND RESERVES OF MEMBER BANKS

(In millions of dollars)

Item	All member banks	Reserve city banks: New York City	City of Chicago	Other	Country banks
	Four weeks ending Mar. 24, 1971				
Gross demand—Total	186,932	44,164	7,804	65,312	69,653
Interbank	25,924	12,225	1,469	9,390	2,840
U.S. Govt.	5,082	932	242	1,917	1,991
Other	155,927	31,007	6,093	54,005	64,822
Net demand 1	140,276	26,590	6,163	49,649	57,874
Time	191,559	22,868	6,711	70,865	91,116
Demand balances due from dom. banks	10,797	1,077	138	2,665	6,918
Currency and coin	5,066	428	94	1,586	2,959
Balances with F.R. Banks	24,530	5,246	1,292	10,042	7,950
Total reserves held	29,596	5,674	1,386	11,628	10,909
Required	*29,450*	*5,681*	*1,389*	*11,641*	*10,739*
Excess	*146*	*−7*	*−3*	*−13*	*170*

Item	All member banks	Reserve city banks: New York City	City of Chicago	Other	Country banks
	Four weeks ending Apr. 21, 1971				
Gross demand—Total	189,181	43,233	7,969	66,984	70,996
Interbank	25,728	11,671	1,502	9,657	2,899
U.S. Govt.	3,911	736	284	1,462	1,429
Other	159,542	30,825	6,184	55,866	66,668
Net demand 1	142,802	26,762	6,283	50,731	59,026
Time	193,497	23,003	6,835	71,119	92,540
Demand balances due from dom. banks	11,043	1,116	166	2,791	6,970
Currency and coin	5,073	446	96	1,586	2,944
Balances with F.R. Banks	24,721	5,277	1,275	10,149	8,020
Total reserves held	29,794	5,723	1,371	11,735	10,964
Required	*29,558*	*5,695*	*1,370*	*11,714*	*10,778*
Excess	*236*	*28*	*1*	*21*	*186*

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

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

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1971					1971		1970
	May 26	May 19	May 12	May 5	Apr. 28	May 31	Apr. 30	May 31
Assets								
Gold certificate account	10,075	10,075	10,075	10,475	10,475	10,075	10,475	11,045
Special Drawing Rights certificate account	400	400	400	400	400	400	400	400
Cash	276	270	264	261	253	282	264	210
Discounts and advances:								
Member bank borrowings	1,274	985	25	802	718	1,051	81	1,361
Other	....	....	....	....	....	....	....	90
Acceptances:								
Bought outright	62	59	58	58	53	64	56	42
Held under repurchase agreements	40	89	....	81	35	48	....	....
Federal agency obligations—Held under repurchase agreements	39	97	....	137	8	....	....	....
U.S. Govt. securities:								
Bought outright:								
Bills	27,237	27,011	26,521	26,643	26,259	27,237	26,321	22,211
Certificates—Other	....	....	....	....	....	....	....	....
Notes	34,307	34,299	34,180	34,180	34,180	34,307	34,180	32,233
Bonds	3,220	3,220	3,220	3,220	3,220	3,220	3,220	2,863
Total bought outright	[1] 64,764	[1] 64,530	[1] 63,921	[1] 64,043	[1] 63,659	[1] 64,764	63,721	57,307
Held under repurchase agreements	168	521	264	1,136	353	....	....	....
Total U.S. Govt. securities	64,932	65,051	64,185	65,179	64,012	64,764	63,721	57,307
Total loans and securities	66,347	66,281	64,268	66,257	64,826	65,927	63,858	58,800
Cash items in process of collection	9,929	11,212	10,527	10,910	11,341	9,188	9,990	8,935
Bank premises	139	140	139	136	136	139	136	118
Other assets:								
Denominated in foreign currencies	94	94	94	34	34	94	34	510
IMF gold deposited [2]	148	148	148	148	148	148	148	210
All other	490	444	943	898	879	546	851	346
Total assets	87,898	89,064	86,858	89,519	88,492	86,799	86,156	80,574
Liabilities								
F.R. notes	50,517	50,466	50,539	50,200	49,907	50,535	49,778	47,096
Deposits:								
Member bank reserves	25,985	25,878	23,988	27,559	25,827	25,494	24,752	23,041
U.S. Treasurer—General account	887	1,224	1,112	493	1,401	805	1,322	1,198
Foreign	156	195	161	148	133	208	162	128
Other:								
IMF gold deposit [2]	148	148	148	148	148	148	148	210
All other	523	498	539	537	535	528	582	578
Total deposits	27,699	27,943	25,948	28,885	28,044	27,183	26,966	25,155
Deferred availability cash items	7,441	8,458	8,222	8,121	8,346	6,779	7,166	6,052
Other liabilities and accrued dividends	542	559	532	570	510	558	544	607
Total liabilities	86,199	87,426	85,241	87,776	86,807	85,055	84,454	78,910
Capital accounts								
Capital paid in	723	723	722	721	721	724	722	684
Surplus	702	702	702	702	702	702	702	669
Other capital accounts	274	213	193	320	262	318	278	311
Total liabilities and capital accounts	87,898	89,064	86,858	89,519	88,492	86,799	86,156	80,574
Contingent liability on acceptances purchased for foreign correspondents	242	243	244	237	235	253	236	231
Marketable U.S. Govt. securities held in custody for foreign and international accounts [3]	19,531	18,905	18,514	17,405	17,080	19,382	16,954	9,754
Federal Reserve Notes—Federal Reserve Agents' Accounts								
F.R. notes outstanding (issued to Bank)	53,727	53,708	53,559	53,396	53,446	53,802	53,453	49,984
Collateral held against notes outstanding:								
Gold certificate account	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,327
U.S. Govt. securities	52,025	51,975	51,975	51,955	51,955	52,025	51,955	48,025
Total collateral	55,275	55,225	55,225	55,205	55,205	55,275	55,205	51,352

[1] See note 6 on p. A-5.
[2] See note 1 (b) at top of p. A-75.
[3] This caption valid beginning Sept. 16, 1970; figures prior to that date include both marketable and nonmarketable securities for foreign account only.

STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON MAY 31, 1971

(In millions of dollars)

Item	Total	Boston	New York	Phila-delphia	Cleve-land	Rich-mond	Atlan-ta	Chi-cago	St. Louis	Minne-apolis	Kan-sas City	Dallas	San Fran-cisco
Assets													
Gold certificate account	10,075	461	2,555	525	910	858	535	1,625	359	191	421	619	1,016
Special Drawing Rights certif. acct.	400	23	93	23	33	36	22	70	15	7	15	14	49
F.R. notes of other banks	950	112	225	48	48	66	275	29	16	15	27	23	66
Other cash	282	12	25	10	28	30	36	36	16	9	26	18	36
Discounts and advances:													
Secured by U.S. Govt. securities	477	126	133	34	2	63	43	34	......	*	3	6	33
Other	574	50	293	100	......	......	30	88	......	......	......	5	8
Acceptances:													
Bought outright	64	......	64	......	......	......	......	......	......	......	......	......	......
Held under repurchase agreements	48	......	48	......	......	......	......	......	......	......	......	......	......
Federal agency obligations—Held under repurchase agreements	......	......	......	......	......	......	......	......	......	......	......	......	......
U.S. Govt. securities:													
Bought outright	[1]64,764	3,162	16,392	3,419	4,957	4,769	3,220	10,683	2,408	1,256	2,508	2,946	9,044
Held under repurchase agreements	......	......	......	......	......	......	......	......	......	......	......	......	......
Total loans and securities	65,927	3,338	16,930	3,553	4,959	4,832	3,293	10,805	2,408	1,256	2,511	2,957	9,085
Cash items in process of collection	12,649	628	1,996	628	818	870	1,517	2,060	593	458	799	1,223	1,059
Bank premises	139	2	8	3	16	13	17	17	13	15	18	9	8
Other assets:													
Denominated in foreign currencies	94	4	[2] 25	5	9	5	6	14	3	2	4	5	12
IMF gold deposited [3]	148	......	148	......	......	......	......	......	......	......	......	......	......
All other	546	39	120	25	37	38	52	75	17	10	48	21	64
Total assets	91,210	4,619	22,125	4,820	6,858	6,748	5,753	14,731	3,440	1,963	3,869	4,889	11,395
Liabilities													
F.R. notes	51,485	2,873	12,284	2,997	4,164	4,575	2,538	9,015	1,982	893	1,927	1,991	6,246
Deposits:													
Member bank reserves	25,494	1,014	6,966	1,128	1,738	1,293	1,541	3,666	883	626	1,143	1,612	3,884
U.S. Treasurer—General account	805	35	60	61	49	54	102	33	24	27	63	185	112
Foreign	208	7	[4] 93	8	14	8	10	23	5	4	7	9	20
Other:													
IMF gold deposit [3]	148	......	148	......	......	......	......	......	......	......	......	......	......
All other	949	*	483	2	......	8	150	4	1	1	2	278	20
Total deposits	27,604	1,056	7,750	1,199	1,801	1,363	1,803	3,726	913	658	1,215	2,084	4,036
Deferred availability cash items	9,819	583	1,507	508	699	676	1,246	1,640	468	362	620	698	812
Other liabilities and accrued dividends	558	27	137	28	42	39	27	89	19	12	36	24	78
Total liabilities	89,466	4,539	21,678	4,732	6,706	6,653	5,614	14,470	3,382	1,925	3,798	4,797	11,172
Capital accounts													
Capital paid in	724	34	188	37	66	38	49	108	24	17	31	40	92
Surplus	702	33	185	36	63	36	47	105	24	16	30	39	88
Other capital accounts	318	13	74	15	23	21	43	48	10	5	10	13	43
Total liabilities and capital accounts	91,210	4,619	22,125	4,820	6,858	6,748	5,753	14,731	3,440	1,963	3,869	4,889	11,395
Contingent liability on acceptances purchased for foreign correspondents	253	12	[5] 66	13	23	13	17	38	8	6	11	14	32
Federal Reserve Notes—Federal Reserve Agents' Accounts													
F.R. notes outstanding (issued to Bank)	53,802	3,034	12,991	3,092	4,325	4,701	2,726	9,283	2,066	930	1,996	2,137	6,521
Collateral held against notes outstanding:													
Gold certificate account	3,250	250	500	300	510	530	......	1,000	155	......	......	5	......
U.S. Govt. securities	52,025	2,840	12,600	2,900	3,900	4,250	2,900	8,450	1,980	950	2,075	2,180	7,000
Total collateral	55,275	3,090	13,100	3,200	4,410	4,780	2,900	9,450	2,135	950	2,075	2,185	7,000

[1] See note 6 on p. A-5.
[2] After deducting $69 million participations of other F.R. Banks.
[3] See note 1 (b) to table at top of p. A-75.
[4] After deducting $115 million participations of other F.R. Banks.
[5] After deducting $187 million participations of other F.R. Banks.

NOTE.—Some figures for cash items in process of collection and for member bank reserves are preliminary.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Month	Outright transactions in U.S. Govt. securities, by maturity											
	Total			Treasury bills			Others within 1 year			1–5 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts
1970—Apr.	1,124	747	....	1,124	747	....	....	....	....	....	....	....
May	2,225	835	244	2,017	835	244	17	....	−9,414	167	....	11,106
June	2,659	1,612	641	2,449	1,612	641	23	....	....	146	....	....
July	1,626	744	....	1,626	744	....	....	....	....	....	....	....
Aug.	1,127	106	*	1,127	106	*	....	....	−21	....	....	−129
Sept.	2,657	2,367	308	2,474	2,367	308	17	....	....	90	....	....
Oct.	245	183	134	245	183	134	....	....	....	....	....	....
Nov.	2,871	1,391	....	2,715	1,391	....	37	....	6,362	80	....	−6,712
Dec.	3,414	2,280	....	2,883	2,280	....	5	....	....	365	....	....
1971—Jan.	1,515	1,547	327	1,515	1,547	327	....	....	....	....	....	....
Feb.	5,832	5,153	....	5,347	5,153	....	....	....	−3,732	174	....	4,092
Mar.	3,142	2,523	240	2,600	2,523	240	....	....	....	263	....	....
Apr.	2,229	1,298	50	2,033	1,298	50	....	....	2	119	....	2

Month	Outright transactions in U.S. Govt. securities—Continued						Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations (net repurchase agreements)	Bankers' acceptances		Net change[1]
	5–10 years			Over 10 years									
	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales			Outright, net	Under repurchase agreements, net	
1970—Apr.	....	....	....	....	....	....	3,685	3,338	723	34	6	49	811
May	16	....	−1,692	9	....	....	953	1,299	799	−34	−15	−49	702
June	37	....	....	4	....	....	905	905	407	....	−10	....	397
July	....	....	....	....	....	....	2,008	2,008	882	....	5	....	887
Aug.	....	....	150	....	....	....	3,181	2,852	1,351	31	−4	30	1,407
Sept.	61	....	....	16	....	....	3,906	3,861	28	50	3	21	101
Oct.	....	....	....	....	....	....	3,465	3,353	40	8	*	−14	34
Nov.	23	....	386	16	....	−36	3,863	4,125	1,218	−27	1	13	1,204
Dec.	113	....	....	48	....	....	5,109	5,334	908	−61	21	−50	819
1971—Jan.	....	....	....	....	....	....	2,298	2,298	−359	....	2	....	−357
Feb.	189	....	−360	121	....	....	4,183	4,183	679	....	5	....	673
Mar.	205	....	....	74	....	....	6,561 c	5,242	1,698	186	*	85	1,968
Apr.	62	....	....	16	....	....	5,085	6,404	−439	−186	3	−85	−707

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

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

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Austrian schillings	Belgian francs	Canadian dollars	Danish kroner	French francs	German marks	Italian lire	Japanese yen	Netherlands guilders	Swiss francs
1968—Dec.	2,061	1,444	....	8	3	....	433	165	1	1	4	3
1969—Dec.	1,967	1,575	....	1	*	....	199	60	125	1	3	4
1970—Feb.	1,179	215	....	1	*	....	....	159	801	1	3	*
Mar.	1,169	207	....	1	*	....	....	157	801	1	3	*
Apr.	1,101	199	....	1	*	....	....	93	805	1	3	*
May	510	199	....	*	*	....	....	94	205	1	*	11
June	690	180	....	*	*	....	....	94	400	1	*	15
July	290	180	....	*	*	....	....	95	....	1	*	14
Aug.	280	180	....	*	*	....	....	96	....	1	*	3
Sept.	680	580	....	*	*	....	....	96	....	1	*	3
Oct.	408	306	....	*	*	....	....	97	....	1	*	4
Nov.	265	161	....	*	*	....	....	98	....	1	*	4
Dec.	257	154	....	*	*	....	....	98	....	1	*	4
1971—Jan.	186	80	....	1	*	....	....	99	....	1	....	5
Feb.	107	*	....	1	*	....	....	100	....	1	....	5

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

(In millions of dollars)

Item	Wednesday					End of month		
	1971					1971		1970
	May 26	May 19	May 12	May 5	Apr. 28	May 31	Apr. 30	May 31
Discounts and advances—Total	1,274	985	25	802	716	1,051	81	1,454
Within 15 days	1,273	984	24	800	715	1,048	79	1,352
16 days to 90 days	1	1	1	2	1	3	2	102
91 days to 1 year	....	....	....	....	....	....	....	....
Acceptances—Total	102	148	58	139	88	111	56	42
Within 15 days	54	101	12	95	47	62	12	12
16 days to 90 days	48	47	46	44	41	49	44	30
91 days to 1 year	....	....	....	....	....	....	....	....
U.S. Government securities—Total	64,971	65,148	64,185	65,316	64,020	64,764	63,721	57,307
Within 15 days[1]	3,904	4,509	5,693	6,712	4,549	1,944	4,308	1,623
16 days to 90 days	12,736	12,333	12,153	12,097	13,457	13,760	12,579	10,532
91 days to 1 year	17,910	17,893	15,581	15,749	15,256	18,639	16,076	14,006
Over 1 year to 5 years	23,645	23,641	23,736	23,736	23,736	23,645	23,736	25,249
Over 5 years to 10 years	5,896	5,892	6,142	6,142	6,142	5,896	6,142	5,277
Over 10 years	880	880	880	880	880	880	880	620

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

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts[1] (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others[2]				N.Y.	6 others[2]		
1970—Apr.	10,164.2	4,422.0	2,417.9	5,742.3	3,324.4	72.8	149.7	75.8	52.1	42.5
May	10,015.7	4,249.4	2,460.0	5,766.4	3,306.4	73.4	150.6	78.4	53.3	43.0
June	10,136.3	4,366.0	2,443.3	5,770.3	3,327.0	73.1	149.3	77.5	52.7	42.7
July	10,207.8	4,324.3	2,508.2	5,883.6	3,375.3	73.1	145.3	79.4	53.6	43.1
Aug.	10,550.5	4,770.6	2,478.8	5,779.9	3,301.1	75.7	162.8	77.9	52.5	42.2
Sept.	10,552.0	4,668.1	2,502.9	5,883.9	3,381.0	75.3	161.0	77.9	53.0	42.8
Oct.	10,780.2	4,899.8	2,497.4	5,880.5	3,383.0	78.1	175.9	78.4	53.4	43.2
Nov.	10,533.9	4,824.0	2,420.1	5,709.9	3,289.8	75.6	168.5	75.8	51.6	41.8
Dec.	10,896.5	5,016.1	2,480.1	5,880.3	3,400.2	77.0	170.6	76.7	52.4	42.6
1971—Jan.	10,710.1	4,825.9	2,475.2	5,884.2	3,409.0	76.4	168.3	77.3	52.8	42.9
Feb.	11,535.4	5,477.4	2,550.4	6,058.0	3,507.6	82.2	191.3	80.1	54.2	43.9
Mar.	r11,443.2	5,309.7	2,522.6	r6,133.5	r3,610.9	79.6	183.5	76.8	53.4	44.1
Apr.	11,679.1	5,356.8	2,617.0	6,322.3	3,705.3	80.6	185.6	79.3	54.5	44.7

[1] Excludes interbank and U.S. Govt. demand deposit accounts.
[2] Boston, Philadelphia, Chicago, Detroit, San Francisco–Oakland, and Los Angeles–Long Beach.

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

For description of series, see Mar. 1965 BULLETIN, p. 390.
The data shown here differ from those shown in the Mar. 1965 BULLETIN because they have been revised, as described in the Mar. 1967 BULLETIN, p. 389.

DENOMINATIONS IN CIRCULATION

(In millions of dollars)

End of period	Total in circulation [1]	Coin and small denomination currency							Large denomination currency						
		Total	Coin	$1 [2]	$2	$5	$10	$20	Total	$50	$100	$500	$1,000	$5,000	$10,000
1939	7,598	5,553	590	559	36	1,019	1,772	1,576	2,048	460	919	191	425	20	32
1941	11,160	8,120	751	695	44	1,355	2,731	2,545	3,044	724	1,433	261	556	24	46
1945	28,515	20,683	1,274	1,039	73	2,313	6,782	9,201	7,834	2,327	4,220	454	801	7	24
1947	28,868	20,020	1,404	1,048	65	2,110	6,275	9,119	8,850	2,548	5,070	428	782	5	17
1950	27,741	19,305	1,554	1,113	64	2,049	5,998	8,529	8,438	2,422	5,043	368	588	4	12
1955	31,158	22,021	1,927	1,312	75	2,151	6,617	9,940	9,136	2,736	5,641	307	438	3	12
1958	32,193	22,856	2,182	1,494	83	2,186	6,624	10,288	9,337	2,792	5,886	275	373	3	9
1959	32,591	23,264	2,304	1,511	85	2,216	6,672	10,476	9,326	2,803	5,913	261	341	3	5
1960	32,869	23,521	2,427	1,533	88	2,246	6,691	10,536	9,348	2,815	5,954	249	316	3	10
1961	33,918	24,388	2,582	1,588	92	2,313	6,878	10,935	9,531	2,869	6,106	242	300	3	10
1962	35,338	25,356	2,782	1,636	97	2,375	7,071	11,395	9,983	2,990	6,448	240	293	3	10
1963	37,692	26,807	3,030	1,722	103	2,469	7,373	12,109	10,885	3,221	7,110	249	298	3	4
1964	39,619	28,100	3,405	1,806	111	2,517	7,543	12,717	11,519	3,381	7,590	248	293	2	4
1965	42,056	29,842	4,027	1,908	127	2,618	7,794	13,369	12,214	3,540	8,135	245	288	3	4
1966	44,663	31,695	4,480	2,051	137	2,756	8,070	14,201	12,969	3,700	8,735	241	286	3	4
1967	47,226	33,468	4,918	2,035	136	2,850	8,366	15,162	13,758	3,915	9,311	240	285	3	4
1968	50,961	36,163	5,691	2,049	136	2,993	8,786	16,508	14,798	4,186	10,068	244	292	3	4
1969	53,950	37,917	6,021	2,213	136	3,092	8,989	17,466	16,033	4,499	11,016	234	276	3	5
1970—Apr.	53,034	37,012	6,053	2,105	136	2,920	8,646	17,152	16,022	4,446	11,075	226	266	3	4
May	53,665	37,509	6,084	2,134	136	2,953	8,744	17,458	16,157	4,488	11,173	225	264	3	4
June	54,351	37,994	6,128	2,157	136	2,983	8,837	17,753	16,357	4,567	11,298	223	262	3	4
July	54,473	37,959	6,145	2,132	136	2,943	8,743	17,861	16,513	4,621	11,404	221	260	3	4
Aug.	54,669	38,042	6,170	2,142	136	2,942	8,743	17,909	16,627	4,654	11,487	220	259	3	4
Sept.	54,795	38,082	6,193	2,168	136	2,964	8,747	17,875	16,712	4,668	11,562	219	257	3	4
Oct.	55,021	38,192	6,213	2,181	136	2,975	8,761	17,926	16,829	4,694	11,656	217	255	3	4
Nov.	56,381	39,284	6,251	2,242	136	3,068	9,090	18,497	17,097	4,781	11,839	216	254	3	4
Dec.	57,093	39,639	6,281	2,310	136	3,161	9,170	18,581	17,454	4,896	12,084	215	252	3	4
1971—Jan.	55,345	38,081	6,254	2,190	136	2,971	8,673	17,857	17,264	4,809	11,983	214	251	3	4
Feb.	55,611	38,298	6,266	2,178	136	2,972	8,753	17,994	17,313	4,822	12,022	213	249	3	4
Mar.	56,304	38,785	6,303	2,200	136	3,011	8,835	18,300	17,519	4,892	12,160	212	248	3	4
Apr.	56,592	38,917	6,360	2,206	136	3,001	8,826	18,388	17,675	4,917	12,294	210	246	3	4

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

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

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

KINDS OF UNITED STATES CURRENCY OUTSTANDING AND IN CIRCULATION

(Condensed from Circulation Statement of United States Money, issued by Treasury Department. In millions of dollars)

Kind of currency	Total, outstanding, Apr. 30, 1971	Held in the Treasury			Held by F.R. Banks and Agents	Currency in circulation [1]		
		As security against gold and silver certificates	Treasury cash	For F.R. Banks and Agents		1971 Apr. 30	1971 Mar. 31	1970 Apr. 30
Gold	10,732	(10,475)	[2] 257	....	....	....	....	....
Gold certificates	(10,475)	....	....	[3] 10,474	1	....	....	....
Federal Reserve notes	53,453	....	162	....	3,673	49,618	49,389	46,386
Treasury currency—Total	7,329	....	91	....	264	6,974	6,914	6,648
Standard silver dollars	485	....	3	....	....	482	482	482
Fractional coin	6,225	....	83	....	263	5,878	5,821	5,572
United States notes	323	....	5	....	....	317	315	294
In process of retirement [4]	297	....	....	....	....	297	297	301
Total—Apr. 30, 1971	[5] 71,514	(10,475)	509	10,474	3,938	56,592	....	....
Mar. 31, 1971	[5] 71,000	(10,464)	483	10,463	3,751	....	56,304	....
Apr. 30, 1970	[5] 67,544	(11,045)	546	11,044	2,920	....	....	53,034

1 Outside Treasury and F.R. Banks. Includes any paper currency held outside the United States and currency and coin held by banks. Estimated totals for Wed. dates shown in table on p. A-5.

2 Includes $148 million gold deposited by and held for the International Monetary Fund.

3 Consists of credits payable in gold certificates, the Gold Certificate Fund—Board of Governors, FRS.

4 Redeemable from the general fund of the Treasury.

5 Does not include all items shown, as gold certificates are secured by gold. Duplications are shown in parentheses.

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

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Month or week	Seasonally adjusted: M_1 (Currency plus demand deposits)	Seasonally adjusted: M_2 (M_1 plus time deposits at coml. banks other tahn large time CD's)[1]	Seasonally adjusted: M_3 (M_2 plus deposits at nonbank thrift institutions)[2]	Not seasonally adjusted: M_1 (Currency plus demand deposits)	Not seasonally adjusted: M_2 (M_1 plus time deposits at coml. banks other than large time CD's)[1]	Not seasonally adjusted: M_3 (M_2 plus deposits at nonbank thrift institutions)[2]
1967—Dec.	183.1	345.6	528.5	188.6	350.1	533.3
1968—Dec.	197.4	378.2	572.6	203.4	383.0	577.5
1969—Dec.	203.6	387.1	588.4	209.8	392.0	593.5
1970—May	209.2	396.4	600.8	205.3	393.4	597.6
June	209.6	398.6	604.1	207.8	396.9	602.8
July	210.6	401.9	609.1	209.0	400.5	607.9
Aug.	211.8	406.1	614.7	208.7	403.1	611.3
Sept.	212.8	409.6	619.7	211.4	408.2	618.0
Oct.	213.0	412.1	623.9	213.0	412.3	624.0
Nov.	213.5	414.5	628.2	215.3	415.4	628.6
Dec.	214.6	419.0	634.6	221.1	424.1	640.0
1971—Jan.	214.8	423.0	642.1	221.3	428.9	648.4
Feb.	217.3	430.8	654.0	215.5	428.4	651.3
Mar.	219.4	437.6	664.8	217.4	436.3	663.8
Apr.	221.1	442.0	673.7	222.2	444.3	676.1
May^p	224.1	447.4	682.5	219.9	444.4	679.1
Week ending—						
1971—Apr. 28	219.0	440.3	....	219.2	441.7	....
May 5	220.6	442.9	....	220.0	443.1	....
12	223.1	446.1	....	220.4	444.5	....
19	224.6	448.0	....	219.2	443.7	....
26	225.4	449.4	....	218.3	443.3	....
June 2	225.4	450.4	....	221.7	447.4	....

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Month or week	Seasonally adjusted: Currency	SA Commercial banks: Demand deposits	SA Commercial banks: Time and savings deposits: CD's[3]	SA Time and savings: Other	SA Time and savings: Total	SA Nonbank thrift institutions[4]	Not seasonally adjusted: Currency	NSA Commercial banks: Demand deposits	NSA Time and savings deposits: CD's[3]	NSA Time and savings: Other	NSA Time and savings: Total	NSA Nonbank thrift institutions[4]	U.S. Govt. deposits[5]
1967—Dec.	40.4	142.7	21.0	162.5	183.5	183.0	41.2	147.4	20.6	161.5	182.1	183.1	5.0
1968—Dec.	43.4	154.0	24.0	180.8	204.8	194.4	44.3	159.1	23.6	179.6	203.2	194.6	5.0
1969—Dec.	46.0	157.7	11.2	183.4	194.6	201.3	46.9	162.9	11.1	182.1	193.2	201.5	5.6
1970—May	47.7	161.6	13.2	187.1	200.3	204.4	47.3	158.0	13.0	188.1	201.1	204.2	6.4
June	47.8	161.9	13.2	189.0	202.2	205.5	47.7	160.1	13.2	189.2	202.3	205.9	6.5
July	48.1	162.5	16.9	191.3	208.2	207.2	48.3	160.7	16.6	191.5	208.1	207.5	6.8
Aug.	48.2	163.7	19.0	194.2	213.2	208.7	48.3	160.4	19.5	194.4	214.0	208.2	7.1
Sept.	48.2	164.6	21.7	196.8	218.5	210.1	48.2	163.1	21.6	196.8	218.4	209.8	6.8
Oct.	48.5	164.5	23.2	199.1	222.2	211.9	48.5	164.5	23.2	199.3	222.5	211.7	6.1
Nov.	48.7	164.8	23.9	201.1	225.0	213.6	49.2	166.1	24.6	200.0	224.6	213.2	5.6
Dec.	48.9	165.7	26.0	204.4	230.4	215.6	50.0	171.1	25.8	203.0	228.7	215.9	7.1
1971—Jan.	49.2	165.5	27.1	208.2	235.3	219.2	49.1	172.1	27.0	207.6	234.5	219.6	6.6
Feb.	49.6	167.7	27.4	213.5	240.9	223.2	49.2	166.3	27.4	212.9	240.3	223.0	8.3
Mar.	50.0	169.4	27.8	218.3	246.1	227.2	49.5	167.8	28.0	218.9	246.9	227.5	5.4
Apr.	50.5	170.5	27.3	221.0	248.3	231.6	50.1	172.1	27.1	222.1	249.2	231.9	5.5
May^p	50.9	173.2	28.0	223.4	251.3	235.0	50.5	169.4	27.6	224.5	252.1	234.8	7.8
Week ending—													
1971—Apr. 28	50.6	168.4	27.4	221.3	248.7	....	49.6	169.6	27.2	222.4	249.6	....	6.5
May 5	50.7	169.9	27.6	222.3	249.9	....	50.2	169.7	27.1	223.2	250.3	....	8.7
12	50.9	172.3	27.6	223.0	250.6	....	50.7	169.7	27.2	224.1	251.3	....	8.2
19	50.9	173.7	27.9	223.3	251.2	....	50.5	168.7	27.6	224.5	252.1	....	8.2
26	50.9	174.6	28.3	224.0	252.4	....	50.2	168.1	28.1	224.9	253.1	....	7.2
June 2	50.9	174.4	28.2	225.1	253.3	....	50.7	170.9	28.0	225.8	253.7	....	6.4

[1] Includes, in addition to currency and demand deposits, savings deposits, time deposits open account, and time certificates of deposits other negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

[2] Includes M_2, plus the average of the beginning and end of month deposits of mutual savings banks and savings and loan shares.

[3] Negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

[4] Average of the beginning and end-of-month deposits of mutual savings banks and savings and loan shares.

[5] At all commercial banks.

NOTE.—For description of revised series and for back data, see Dec. 1970 BULLETIN, pp. 887–909.

Average of daily figures. Money stock consists of (1) demand deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of all commercial banks. Time deposits adjusted are time deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Member bank reserves, S.A.[1]			Deposits subject to reserve requirements[2]								Total member bank deposits plus nondeposit items[3]	
				S.A.				N.S.A.					
	Total	Non-borrowed	Required	Total	Time and savings	Demand		Total	Time and savings	Demand		S.A.	N.S.A.
						Private	U.S. Govt.			Private	U.S. Govt.		
1967—Dec.	25.94	25.68	25.60	273.5	149.9	118.9	4.6	276.2	148.1	123.6	4.5	....	....
1968—Dec.	27.96	27.22	27.61	298.2	165.8	128.2	4.2	301.2	163.8	133.3	4.1	....	....
1969—Dec.	27.93	26.81	27.71	285.8	151.5	129.4	4.9	288.6	149.7	134.4	4.6	305.7	308.6
1970—May	27.89	26.92	27.69	289.1	154.6	131.4	3.0	287.9	154.9	127.7	5.4	309.3	308.2
June	27.90	27.06	27.71	290.5	155.7	129.9	4.8	289.6	155.7	128.5	5.4	311.1	310.3
July	28.04	26.69	27.90	296.0	160.7	130.9	4.4	296.3	160.9	129.6	5.8	315.8	316.1
Aug.	28.59	27.78	28.41	303.2	164.9	131.9	6.4	301.0	166.0	129.1	5.9	321.9	319.8
Sept.	29.24	28.71	29.02	308.0	169.5	132.3	6.2	306.8	169.9	131.2	5.8	324.5	323.2
Oct.	29.39	28.93	29.13	310.6	173.0	132.4	5.2	310.9	173.2	132.6	5.1	324.8	325.1
Nov.	29.47	29.03	29.23	314.0	175.7	132.3	6.0	312.8	174.9	133.4	4.6	326.7	325.6
Dec.	29.93	29.58	29.70	319.6	179.9	133.5	6.2	322.8	178.2	138.7	6.0	331.2	334.4
1971—Jan.	30.23	29.80	30.03	323.9	183.2	134.1	6.7	328.2	182.8	139.7	5.6	334.1	338.3
Feb.	30.52	30.18	30.26	329.1	187.5	135.4	6.2	328.4	187.1	134.3	7.0	337.7	337.0
Mar.	30.75	30.40	30.53	333.2	191.7	136.7	4.8	332.2	192.3	135.4	4.5	340.2	339.2
Apr.	30.82	30.64	30.61	336.6	193.3	137.9	5.4	337.3	193.6	139.0	4.7	341.7	342.3
May[p]	31.25	30.96	31.00	339.8	195.5	140.2	4.1	338.5	195.8	136.1	6.6	343.9	342.6

[1] Averages of daily figures. Data reflect percentages of reserve requirements made effective Apr. 17, 1969. Required reserves are based on average deposits with a 2-week lag.

[2] Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks. Effective June 9, 1966, balances accumulated for repayment of personal loans were eliminated from time deposits for reserve purposes. Jan. 1969 data are not comparable with earlier data due to the withdrawal from the System on Jan. 2, 1969, of a large member bank.

[3] Total member bank deposits subject to reserve requirements, plus Euro-dollar borrowings, bank-related commercial paper, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE.—Due to changes in Regulations M and D, required reserves include increases of approximately $400 million since Oct. 16, 1969. Back data may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

LOANS AND INVESTMENTS

(In billions of dollars)

Date	Seasonally adjusted				Not seasonally adjusted			
	Total[1,2]	Loans[1,2]	Securities		Total[1,2]	Loans[1,2]	Securities	
			U.S. Govt.	Other[2]			U.S. Govt.	Other[2]
1960—Dec. 31	194.5	113.8	59.8	20.8	198.5	116.7	61.0	20.9
1961—Dec. 30	209.6	120.4	65.3	23.9	214.4	123.9	66.6	23.9
1962—Dec. 31	227.9	134.0	64.6	29.2	233.6	137.9	66.4	29.3
1963—Dec. 31	246.2	149.6	61.7	35.0	252.4	153.9	63.4	35.1
1964—Dec. 31	267.2	167.7	60.7	38.7	273.9	172.1	63.0	38.8
1965—Dec. 31	294.4	192.6	57.1	44.8	301.8	197.4	59.5	44.9
1966—Dec. 31	310.5	208.2	53.6	48.7	317.9	213.0	56.2	48.8
1967—Dec. 30	346.5	225.4	59.7	61.4	354.5	230.5	62.5	61.5
1968—Dec. 31	384.6	251.6	61.5	71.5	393.4	257.4	64.5	71.5
1969—Dec. 31[3]	401.3	278.1	51.9	71.3	410.5	284.5	54.7	71.3
1970—Apr. 29	403.5	277.0	52.4	74.0	403.5	276.9	52.3	74.3
May 27	405.9	278.0	53.4	74.5	403.9	277.0	52.6	74.3
June 30	406.4	277.4	54.1	75.0	410.1	282.9	51.6	75.6
July 29	412.8	281.5	55.8	75.5	412.6	283.4	53.5	75.7
Aug. 26	418.3	284.1	57.5	76.7	415.4	283.2	55.1	77.1
Sept. 30	423.7	287.3	57.6	78.8	423.3	288.0	55.8	79.5
Oct. 28	424.4	287.3	56.3	80.8	424.0	285.9	57.2	81.0
Nov. 25	428.2	288.4	56.7	83.1	427.7	286.9	58.3	82.5
Dec. 31	435.1	290.5	58.5	86.0	445.1	297.2	61.7	86.1
1971—Jan. 27	438.9	292.0	58.7	88.2	438.0	289.3	61.5	87.1
Feb. 24	444.6	295.2	59.9	89.6	440.9	290.6	61.4	88.9
Mar. 31	448.6	295.2	61.4	92.0	446.4	293.3	61.6	91.5
Apr. 28[p]	448.7	294.8	60.2	93.6	448.8	294.6	60.1	94.1
May 26[p]	453.0	297.9	60.2	94.9	450.9	297.2	58.9	94.8

[1] Adjusted to exclude interbank loans.

[2] Beginning June 9, 1966, about $1.1 billion of balances accumulated for payment of personal loans were deducted as a result of a change in Federal Reserve regulations.

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

[3] Beginning June 30, 1969, data revised to include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries; earlier data include commercial banks only. Also, loans and investments are now reported gross, without valuation reserves deducted, rather than net of valuation reserves as was done previously. For a description of the revision, see Aug. 1969 BULLETIN, pp. 642-46.

NOTE.—*For monthly data 1948-68, see Aug. 1968 BULLETIN, pp. A-94–A-97.* For a description of the seasonally adjusted series see the following BULLETINS: July 1962, pp. 797-802; July 1966, pp. 950-55; and Sept. 1967, pp. 1511-17.

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

CONSOLIDATED CONDITION STATEMENT

(In millions of dollars)

Date	Assets									Total assets, net—Total liabilities and capital, net	Liabilities and capital	
	Gold stock and SDR certificates [1]	Treasury currency outstanding	Bank credit								Total deposits and currency	Capital and misc. accounts, net
			Total	Loans, net [2, 3]	U.S. Treasury securities				Other securities [3]			
					Total	Coml. and savings banks	Federal Reserve Banks	Other [4]				
1947—Dec. 31	22,754	4,562	160,832	43,023	107,086	81,199	22,559	3,328	10,723	188,148	175,348	12,800
1950—Dec. 30	22,706	4,636	171,667	60,366	96,560	72,894	20,778	2,888	14,741	199,008	184,384	14,624
1967—Dec. 30	11,982	6,784	468,943	282,040	117,064	66,752	49,112	1,200	69,839	487,709	444,043	43,670
1968—Dec. 31	10,367	6,795	514,427	311,334	121,273	68,285	52,937	51	81,820	531,589	484,212	47,379
1969—Dec. 31 [5]	10,367	6,849	532,663	335,127	115,129	57,952	57,154	23	82,407	549,879	485,545	64,337
1970—May 27	11,800	7,000	526,100	327,000	113,100	56,000	57,100	....	86,000	544,800	475,800	69,000
June 30	11,767	6,986	536,845	336,860	112,475	54,742	57,714	19	87,510	555,596	487,093	68,501
July 29	11,800	7,000	539,300	336,400	115,100	56,800	58,300	....	87,800	558,100	489,800	68,300
Aug. 26	11,800	7,000	545,400	338,100	118,000	58,300	59,600	....	89,400	564,200	494,000	70,200
Sept. 30	11,500	7,100	554,800	343,800	119,000	59,000	60,000	....	91,900	573,300	504,600	68,800
Oct. 28	11,500	7,100	554,500	341,400	119,700	60,400	59,300	....	93,400	573,100	505,500	67,600
Nov. 25	11,500	7,100	559,300	341,600	122,600	61,500	61,100	....	95,100	578,000	510,400	67,600
Dec. 31	11,132	7,149	580,899	354,447	127,207	64,814	62,142	251	99,245	599,180	535,157	64,020
1971—Jan. 27	11,100	7,200	574,100	346,300	127,000	64,700	62,000	300	100,800	592,400	527,200	65,200
Feb. 24	11,100	7,200	577,500	347,300	127,200	64,800	61,700	700	103,000	595,800	529,600	66,300
Mar. 31ᵖ	11,100	7,300	586,700	350,100	129,900	65,000	64,200	800	106,600	605,100	539,100	66,000
Apr. 28ᵖ	11,100	7,300	588,800	350,500	128,300	63,400	64,000	900	109,900	607,200	543,800	63,300
May 26ᵖ	10,700	7,400	593,300	354,100	128,100	62,200	64,900	900	111,100	611,400	549,100	62,300

DETAILS OF DEPOSITS AND CURRENCY

Date	Money stock						Related deposits (not seasonally adjusted)							
	Seasonally adjusted [6]			Not seasonally adjusted			Time				Foreign, net [9]	U.S. Government		
	Total	Currency outside banks	Demand deposits adjusted [7]	Total	Currency outside banks	Demand deposits adjusted [7]	Total	Commercial banks [2]	Mutual savings banks [8]	Postal Savings System [4]		Treasury cash holdings	At coml. and savings banks	At F.R. Banks
1947—Dec. 31	110,500	26,100	84,400	113,597	26,476	87,121	56,411	35,249	17,746	3,416	1,682	1,336	1,452	870
1950—Dec. 30	114,600	24,600	90,000	117,670	25,398	92,272	59,246	36,314	20,009	2,923	2,518	1,293	2,989	668
1967—Dec. 30	181,500	39,600	141,900	191,232	41,071	150,161	242,657	182,243	60,414	....	2,179	1,344	5,508	1,123
1968—Dec. 31	199,600	42,600	157,000	207,347	43,527	163,820	267,627	202,786	64,841	....	2,455	695	5,385	703
1969—Dec. 31 [5]	206,800	45,400	161,400	214,689	46,358	168,331	260,992	193,533	67,459	....	2,683	596	5,273	1,312
1970—May 27	198,600	46,500	152,100	196,200	46,400	149,800	269,300	201,000	68,300	....	2,400	500	6,200	1,300
June 30	199,600	46,600	153,000	201,614	47,032	154,582	273,109	203,916	69,193	....	2,641	439	8,285	1,005
July 29	199,300	46,800	152,500	199,100	46,900	152,200	279,200	210,000	69,200	....	2,600	500	7,400	1,000
Aug. 26	199,900	46,800	153,100	198,200	47,100	151,100	283,400	214,100	69,300	....	2,400	500	8,600	900
Sept. 30	203,500	47,200	156,300	202,200	47,300	154,900	289,400	219,500	69,900	....	2,400	400	8,800	1,200
Oct. 28	201,800	47,400	154,400	202,500	47,300	155,300	292,100	221,900	70,200	....	2,600	500	6,600	1,300
Nov. 25	202,300	47,600	154,700	205,500	48,900	156,600	294,900	224,400	70,500	....	2,500	500	6,200	800
Dec. 31	209,400	47,800	161,600	219,422	49,779	169,643	302,591	230,622	71,969	....	3,148	431	8,409	1,156
1971—Jan. 27	203,300	48,300	155,000	205,900	47,600	158,300	307,600	235,000	72,600	....	2,500	500	9,500	1,200
Feb. 24	204,900	48,500	156,400	203,800	47,900	155,900	313,900	240,400	73,500	....	2,500	500	7,500	1,400
Mar. 31ᵖ	214,100	49,300	164,800	208,200	48,800	159,400	322,100	247,000	75,100	....	2,500	500	5,000	900
Apr. 28ᵖ	207,100	48,900	158,200	207,200	48,500	158,700	323,800	247,900	75,900	....	2,300	500	8,600	1,400
May 26ᵖ	212,100	49,500	162,600	209,600	49,400	160,200	327,400	250,800	76,600	....	2,300	500	8,500	900

[1] Includes Special Drawing Rights certificates beginning January 1970.

[2] Beginning with data for June 30, 1966, about $1.1 billion in "Deposits accumulated for payment of personal loans" were excluded from "Time deposits" and deducted from "Loans" at all commercial banks. These changes resulted from a change in Federal Reserve regulations. See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. A-23.

[3] See note 2 on p. A-22.

[4] After June 30, 1967, Postal Savings System accounts were eliminated from this Statement.

[5] Figures for this and later dates take into account the following changes (beginning June 30, 1969) for commercial banks: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves. See also note 1.

[6] Series began in 1946; data are available only for last Wed. of month.

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

[8] Includes relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other liabilities.

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

NOTE.—For back figures and descriptions of the consolidated condition statement and the seasonally adjusted series on currency outside banks and demand deposits adjusted, see "Banks and the Monetary System," Section 1 of *Supplement to Banking and Monetary Statistics*, 1962, and BULLETINS for Jan. 1948 and Feb. 1960. Except on call dates, figures are partly estimated and are rounded to the nearest $100 million.

For description of substantive changes in official call reports of condition beginning June 1969, see BULLETIN for August 1969, pp. 642–46.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Class of bank and date	Loans and investments: Total	Loans and investments: Loans [1, 2]	Securities: U.S. Treasury	Securities: Other [2]	Cash assets [3]	Total assets—Total liabilities and capital accounts [4]	Deposits: Total [3]	Interbank [3]: Demand	Interbank [3]: Time	Other: Demand: U.S. Govt.	Other: Demand: Other	Other: Time [1]	Borrowings	Total capital accounts	Number of banks
All commercial banks:															
1941—Dec. 31...	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,982		44,349		15,952	23	7,173	14,278
1945—Dec. 31...	124,019	26,083	90,606	7,331	34,806	160,312	150,227	14,065		105,921		30,241	219	8,950	14,011
1947—Dec. 31 [5].	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	240	1,343	94,367	35,360	65	10,059	14,181
1966—Dec. 31...	322,661	217,726	56,163	48,772	69,119	403,368	352,287	19,770	967	4,992	167,751	158,806	4,859	32,054	13,767
1967—Dec. 30...	359,903	235,954	62,473	61,477	77,928	451,012	395,008	21,883	1,314	5,234	184,066	182,511	5,777	34,384	13,722
1968—Dec. 31...	401,262	265,259	64,466	71,537	83,752	500,657	434,023	24,747	1,211	5,010	199,901	203,154	8,899	37,006	13,679
1969—Dec. 31 [6].	421,597	295,547	54,709	71,341	89,984	530,665	435,577	27,174	735	5,054	208,870	193,744	18,360	39,978	13,661
1970—May 27...	417,340	290,370	52,640	74,330	78,930	516,630	413,720	22,180	690	5,960	183,740	201,150	23,080	40,850	13,665
June 30...	423,240	296,091	51,569	75,579	85,631	529,679	432,429	26,338	898	8,076	192,999	204,118	18,546	41,708	13,671
July 29...	425,530	296,330	53,510	75,690	74,930	520,800	422,740	22,440	1,350	7,170	181,540	210,240	19,850	41,510	13,671
Aug. 26...	430,080	297,900	55,050	77,130	78,820	529,640	429,680	22,890	1,630	8,270	182,520	214,370	20,160	41,720	13,675
Sept. 30p..	436,790	301,530	55,750	79,510	85,760	543,900	447,320	26,480	1,710	8,470	190,810	219,850	18,170	42,040	13,678
Oct. 28...	439,590	301,460	57,180	80,950	78,310	539,190	440,030	24,780	1,740	6,250	185,030	222,230	20,200	42,080	13,684
Nov. 25...	442,970	302,160	58,280	82,530	82,400	546,950	446,170	24,680	1,740	5,840	189,080	224,830	21,680	42,270	13,687
Dec. 31...	461,194	313,334	61,742	86,118	93,643	576,242	480,940	30,608	1,975	7,938	209,335	231,084	19,375	42,958	13,686
1971—Jan. 27...	454,250	305,600	61,520	87,130	83,860	559,200	462,730	25,360	2,030	9,250	190,810	235,280	20,500	42,730	13,692
Feb. 24...	458,040	307,740	61,430	88,870	82,450	561,810	463,950	25,850	1,990	7,060	188,180	240,870	21,500	43,050	13,700
Mar. 31p..	463,500	310,380	61,620	91,500	94,350	580,930	483,470	30,640	1,990	4,520	198,860	247,460	22,130	43,530	13,713
Apr. 28p..	466,450	312,280	60,060	94,110	88,670	577,590	479,150	26,430	2,020	8,150	194,180	248,370	24,070	43,740	13,717
May 26p..	468,070	314,380	58,900	94,790	84,510	575,700	477,390	24,390	2,080	7,900	191,590	251,430	23,390	43,910	13,717
Member of F.R. System:															
1941—Dec. 31...	43,521	18,021	19,539	5,961	23,113	68,121	61,717	10,385	140	1,709	37,136	12,347	4	5,886	6,619
1945—Dec. 31...	107,183	22,775	78,338	6,070	29,845	138,304	129,670	13,576	64	22,179	69,640	24,210	208	7,589	6,884
1947—Dec. 31...	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464	6,923
1966—Dec. 31...	263,687	182,802	41,924	38,960	60,738	334,559	291,063	18,788	794	4,432	138,218	128,831	4,618	26,278	6,150
1967—Dec. 30...	293,120	196,849	46,956	49,315	68,946	373,584	326,033	20,811	1,169	4,631	151,980	147,442	5,370	28,098	6,071
1968—Dec. 31...	325,086	220,285	47,881	56,920	73,756	412,541	355,414	23,519	1,061	4,309	163,920	162,605	8,458	30,060	5,978
1969—Dec. 31 [6].	336,738	242,119	39,833	54,785	79,034	432,270	349,883	25,841	609	4,114	169,750	149,569	17,395	32,047	5,869
1970—May 27...	331,389	235,805	38,259	57,325	69,710	418,609	329,541	21,183	567	4,914	148,414	154,463	21,749	32,733	5,816
June 30...	335,551	240,100	37,324	58,127	75,539	428,975	345,514	25,122	691	6,957	155,916	156,829	17,507	33,184	5,803
July 29...	337,377	240,309	38,950	58,118	65,971	420,844	336,818	21,371	1,139	6,181	146,003	162,124	18,675	33,047	5,795
Aug. 26...	341,096	241,594	40,305	59,197	69,769	428,607	342,995	21,825	1,423	7,054	146,996	165,697	19,059	33,223	5,785
Sept. 30...	346,643	244,769	40,779	61,095	75,853	440,724	358,433	25,339	1,500	7,258	153,951	170,385	17,169	33,479	5,784
Oct. 28...	348,424	244,377	41,872	62,175	68,978	435,498	350,996	23,643	1,535	5,169	148,472	172,177	19,021	33,481	5,781
Nov. 25...	350,746	244,442	42,661	63,643	72,422	441,486	355,566	23,516	1,535	4,855	151,385	174,275	20,538	33,629	5,773
Dec. 31...	365,940	253,936	45,399	66,604	81,500	465,644	384,596	29,142	1,733	6,460	168,032	179,229	18,578	34,100	5,766
1971—Jan. 27...	359,731	247,183	45,222	67,326	73,521	451,224	369,092	24,179	1,785	7,929	152,695	182,504	19,557	33,950	5,761
Feb. 24...	362,488	248,916	44,840	68,732	72,296	452,887	369,632	24,680	1,744	5,730	150,712	186,766	20,440	34,213	5,754
Mar. 31...	366,723	250,777	45,193	70,753	83,092	469,355	386,692	29,399	1,749	3,726	159,983	191,835	21,107	34,658	5,751
Apr. 28...	368,478	252,001	43,690	72,787	78,152	465,602	382,149	25,278	1,776	6,957	155,728	192,410	22,983	34,799	5,747
May 26p..	369,202	253,533	42,601	73,068	73,880	462,630	379,755	23,230	2,080	6,662	153,165	194,860	22,237	34,944	5,747
Reserve city member:															
New York City: [7]															
1941—Dec. 31...	12,896	4,072	7,265	1,559	6,637	19,862	17,932	4,202	6	866	12,051	807	....	1,648	36
1945—Dec. 31...	26,143	7,334	17,574	1,235	6,439	32,887	30,121	4,640	17	6,940	17,287	1,236	195	2,120	37
1947—Dec. 31...	20,393	7,179	11,972	1,242	7,261	27,982	25,216	4,453	12	267	19,040	1,445	30	2,259	37
1966—Dec. 31...	46,536	35,941	4,920	5,674	14,869	64,424	51,837	6,370	467	1,016	26,535	17,449	1,874	5,298	12
1967—Dec. 30...	52,141	39,059	6,027	7,055	18,797	74,609	60,407	7,238	741	1,084	31,282	20,062	1,880	5,715	12
1968—Dec. 31...	57,047	42,968	5,984	8,094	19,948	81,364	63,900	8,964	622	888	33,351	20,076	2,733	6,137	12
1969—Dec. 31 [6].	60,333	48,305	5,048	6,980	22,349	87,753	62,381	10,349	268	694	36,126	14,944	4,405	6,301	12
1970—May 27...	57,288	44,819	4,981	7,488	22,007	84,604	57,147	9,356	280	882	31,742	14,887	5,821	6,335	12
June 30...	57,088	44,881	4,413	7,795	23,070	85,666	60,615	11,148	321	1,236	32,590	15,320	4,057	6,374	12
July 29...	58,720	45,917	5,142	7,661	18,322	82,356	57,063	9,322	592	1,382	28,927	16,840	4,855	6,340	12
Aug. 26...	58,468	45,208	5,458	7,802	20,982	84,893	58,959	9,668	729	1,214	29,943	17,405	5,243	6,405	12
Sept. 30...	59,484	46,265	5,144	8,075	23,057	88,026	64,019	12,161	719	1,355	31,072	18,712	4,184	6,439	12
Oct. 28...	59,215	45,990	5,337	7,888	19,175	83,785	59,297	10,738	776	658	28,024	19,101	5,038	6,385	12
Nov. 25...	59,657	45,717	5,463	8,477	20,151	85,368	59,654	10,276	814	749	28,552	19,263	6,224	6,424	12
Dec. 31...	62,347	47,161	6,009	9,177	21,715	89,384	67,186	12,508	956	1,039	32,235	20,448	4,500	6,486	12
1971—Jan. 27...	60,658	45,791	6,011	8,856	21,274	87,437	64,712	11,270	950	1,985	29,761	20,746	4,997	6,449	12
Feb. 24...	60,791	46,610	5,378	8,803	20,393	86,749	63,848	11,367	919	879	29,352	21,331	5,855	6,510	12
Mar. 31...	59,912	45,457	5,683	8,772	27,111	93,161	71,345	14,672	846	573	33,114	22,140	5,741	6,723	12
Apr. 28...	60,115	45,741	5,316	9,058	23,718	89,486	67,750	12,261	920	1,392	30,793	22,384	6,285	6,743	12
May 26...	59,029	45,441	5,007	8,581	19,816	84,885	63,973	10,254	846	1,388	28,552	22,933	6,072	6,797	12

For notes see p. A-23.

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

(Amounts in millions of dollars)

Class of bank and date	Loans and investments: Total	Loans and investments: Loans [1, 2]	Loans and investments: Securities: U.S. Treasury	Loans and investments: Securities: Other [2]	Cash assets [3]	Total assets—Total liabilities and capital accounts [4]	Deposits: Total [3]	Deposits: Interbank [3]: Demand	Deposits: Interbank [3]: Time	Deposits: Other: Demand: U.S. Govt.	Deposits: Other: Demand: Other	Deposits: Other: Time [1]	Borrowings	Total capital accounts	Number of banks
Reserve city member (cont.):															
City of Chicago: [7, 8]															
1941—Dec. 31	2,760	954	1,430	376	1,566	4,363	4,057	1,035	......	127	2,419	476	......	288	13
1945—Dec. 31	5,931	1,333	4,213	385	1,489	7,459	7,046	1,312	......	1,552	3,462	719	......	377	12
1947—Dec. 31	5,088	1,801	2,890	397	1,739	6,866	6,402	1,217	......	72	4,201	913	......	426	14
1966—Dec. 31	11,802	8,756	1,545	1,502	2,638	14,935	12,673	1,433	25	310	6,008	4,898	484	1,199	11
1967—Dec. 30	12,744	9,223	1,574	1,947	2,947	16,296	13,985	1,434	21	267	6,250	6,013	383	1,346	10
1968—Dec. 31	14,274	10,286	1,863	2,125	3,008	18,099	14,526	1,535	21	257	6,542	6,171	682	1,433	9
1969—Dec. 31 [6]	14,365	10,771	1,564	2,030	2,802	17,927	13,264	1,677	15	175	6,770	4,626	1,290	1,517	9
1970—May 27	14,178	10,341	1,616	2,221	2,658	17,736	12,218	1,265	41	232	5,952	4,728	2,233	1,550	9
June 30	14,648	10,986	1,540	2,121	2,622	18,291	13,266	1,682	16	347	6,102	5,119	1,507	1,566	9
July 29	14,449	10,662	1,688	2,099	2,560	18,021	12,937	1,237	54	457	5,764	5,425	1,689	1,542	9
Aug. 26	14,556	10,642	1,796	2,118	2,911	18,520	12,841	1,192	58	342	5,725	5,524	2,129	1,550	9
Sept. 30	15,058	11,151	1,746	2,161	2,788	18,849	13,764	1,595	69	380	6,017	5,703	1,959	1,562	9
Oct. 28	14,835	10,735	1,925	2,175	3,040	18,841	13,399	1,301	79	250	5,921	5,848	2,253	1,565	9
Nov. 25	15,076	10,921	1,839	2,316	2,981	19,016	13,538	1,375	79	250	5,855	5,979	2,330	1,580	9
Dec. 31	15,745	11,214	2,105	2,427	3,074	19,892	15,041	1,930	49	282	6,663	6,117	1,851	1,586	9
1971—Jan. 27	15,530	10,901	2,208	2,421	2,981	19,487	14,303	1,313	79	487	6,091	6,333	1,969	1,591	9
Feb. 24	15,479	11,000	2,048	2,431	3,083	19,482	14,264	1,451	58	252	6,010	6,493	2,125	1,618	9
Mar. 31	16,056	11,345	2,179	2,532	2,695	19,609	14,665	2,074	130	168	5,598	6,695	1,961	1,635	9
Apr. 28	15,726	11,051	1,940	2,735	3,159	19,874	15,048	1,449	123	414	6,415	6,647	2,304	1,622	9
May 26	15,853	11,293	1,677	2,883	3,011	19,741	14,951	1,300	143	419	6,181	7,051	2,180	1,616	9
Other reserve city: [7, 8]															
1941—Dec. 31	15,347	7,105	6,467	1,776	8,518	24,430	22,313	4,356	104	491	12,557	4,806	......	1,967	351
1945—Dec. 31	40,108	8,514	29,552	2,042	11,286	51,898	49,085	6,418	30	8,221	24,655	9,760	2	2,566	359
1947—Dec. 31	36,040	13,449	20,196	2,396	13,066	49,659	46,467	5,627	22	405	28,990	11,423	1	2,844	353
1966—Dec. 31	95,831	69,464	13,040	13,326	24,228	123,863	108,804	8,593	233	1,633	49,004	49,341	1,952	9,471	169
1967—Dec. 30	105,724	73,571	14,667	17,487	26,867	136,626	120,485	9,374	310	1,715	53,288	55,798	2,555	10,032	163
1968—Dec. 31	119,006	83,634	15,036	20,337	28,136	151,957	132,305	10,181	307	1,884	57,449	62,484	4,239	10,684	161
1969—Dec. 31 [6]	121,324	90,896	11,944	18,484	29,954	157,512	126,232	10,663	242	1,575	58,923	54,829	9,881	11,464	157
1970—May 27	119,002	88,033	11,287	19,682	24,393	149,816	116,945	8,213	160	1,945	49,990	56,637	11,025	11,780	157
June 30	121,213	90,152	11,372	19,689	27,106	154,889	123,673	9,530	273	3,115	53,317	57,438	9,779	11,868	156
July 29	120,894	89,581	11,665	19,648	24,422	151,834	120,708	8,374	409	2,349	50,046	59,530	9,777	11,885	156
Aug. 26	123,418	91,106	12,341	19,971	25,008	154,765	123,746	8,544	552	3,049	50,085	61,516	9,485	11,934	156
Sept. 30	125,582	91,955	12,859	20,768	27,368	159,587	129,246	8,992	628	3,082	53,139	63,405	9,019	12,040	156
Oct. 28	126,646	91,973	13,299	21,374	25,157	158,316	127,238	9,032	599	2,138	51,709	63,760	9,380	12,032	156
Nov. 25	126,943	91,301	13,789	21,853	26,774	160,182	129,249	9,213	561	1,977	52,625	64,873	9,711	12,053	156
Dec. 31	133,718	96,158	14,700	22,860	31,263	171,733	140,518	11,317	592	2,547	59,328	66,734	10,391	12,221	156
1971—Jan. 27	130,725	92,805	14,490	23,430	26,930	164,214	133,018	8,875	675	3,141	52,463	67,864	10,413	12,234	156
Feb. 24	131,751	92,932	14,498	24,321	26,701	164,992	133,375	9,169	686	2,262	52,063	69,195	10,014	12,321	156
Mar. 31	134,204	94,302	14,636	25,266	29,361	170,513	138,409	9,791	692	1,592	55,594	70,740	11,044	12,474	156
Apr. 28	134,119	94,416	13,830	25,873	28,581	169,509	136,752	9,688	652	3,353	53,562	69,497	11,889	12,502	156
May 26	134,264	95,042	13,409	25,813	28,193	169,451	137,167	9,723	714	3,018	53,519	70,193	11,325	12,561	156
Country member: [7, 8]															
1941—Dec. 31	12,518	5,890	4,377	2,250	6,402	19,466	17,415	792	30	225	10,109	6,258	4	1,982	6,219
1945—Dec. 31	35,002	5,596	26,999	2,408	10,632	46,059	43,418	1,207	17	5,465	24,235	12,494	11	2,525	6,476
1947—Dec. 31	36,324	10,199	22,857	3,268	10,778	47,553	44,443	1,056	17	432	28,378	14,560	23	2,934	6,519
1966—Dec. 31	109,518	68,641	22,419	18,458	19,004	131,338	117,749	2,392	69	1,474	56,672	57,144	308	10,309	5,958
1967—Dec. 30	122,511	74,995	24,689	22,826	20,334	146,052	131,156	2,766	96	1,564	61,161	65,569	552	11,005	5,886
1968—Dec. 31	134,759	83,397	24,998	26,364	22,664	161,122	144,682	2,839	111	1,281	66,578	73,873	804	11,807	5,796
1969—Dec. 31 [6]	140,715	92,147	21,278	27,291	23,928	169,078	148,007	3,152	84	1,671	67,930	75,170	1,820	12,766	5,691
1970—May 27	140,921	92,612	20,375	27,934	20,652	166,453	143,231	2,349	86	1,855	60,730	78,211	2,670	13,068	5,638
June 30	142,603	94,081	19,999	28,522	22,741	170,129	147,960	2,763	81	2,259	63,907	78,951	2,164	13,377	5,626
July 29	143,314	94,149	20,455	28,710	20,667	168,633	146,110	2,438	84	1,993	61,266	80,329	2,354	13,280	5,618
Aug. 26	144,654	94,638	20,710	29,306	20,868	170,429	147,449	2,411	84	2,449	61,243	81,252	2,202	13,334	5,608
Sept. 30	146,519	95,398	21,030	30,091	22,640	174,262	151,404	2,591	84	2,441	63,723	82,565	2,007	13,438	5,607
Oct. 28	147,728	95,679	21,311	30,738	21,606	174,556	151,062	2,572	81	2,123	62,818	83,468	2,350	13,499	5,604
Nov. 25	149,070	96,503	21,570	30,997	22,516	176,920	153,125	2,652	81	1,879	64,353	84,160	2,273	13,572	5,596
Dec. 31	154,130	99,404	22,586	32,140	25,448	184,635	161,850	3,387	135	2,592	69,806	85,930	1,836	13,807	5,589
1971—Jan. 27	152,818	97,686	22,513	32,619	22,336	180,086	157,059	2,721	81	2,316	64,380	87,561	2,178	13,676	5,584
Feb. 24	154,467	98,374	22,916	33,177	22,119	181,664	158,145	2,693	81	2,337	63,287	89,747	2,446	13,764	5,577
Mar. 31	156,551	99,673	22,695	34,183	23,925	186,072	162,273	2,862	81	1,393	65,677	92,260	2,361	13,826	5,574
Apr. 28	158,518	100,793	22,604	35,121	22,694	186,733	162,599	2,736	81	2,145	64,958	92,679	2,505	13,932	5,570
May 26[p]	160,056	101,757	22,508	35,791	22,860	188,553	163,664	2,802	135	2,296	64,913	93,518	2,660	13,970	5,570

For notes see p. A-23.

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

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments: Total	Loans and investments: Loans [1, 2]	Securities: U.S. Treasury	Securities: Other [2]	Cash assets [3]	Total assets—Total liabilities and capital accounts [4]	Deposits: Total [3]	Interbank [3]: Demand	Interbank [3]: Time	Other: Demand: U.S. Govt.	Other: Demand: Other	Other: Time [1]	Borrowings	Total capital accounts	Number of banks
Insured banks:															
Total:															
1941—Dec. 31	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654		1,762	41,298	15,699	10	6,844	13,426
1945—Dec. 31	121,809	25,765	88,912	7,131	34,292	157,544	147,775	13,883		23,740	80,276	29,876	215	8,671	13,297
1947—Dec. 31	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	13,398
1963—Dec. 20	252,579	155,261	62,723	34,594	50,337	310,730	273,657	15,077	443	6,712	140,702	110,723	3,571	25,277	13,284
1964—Dec. 31	275,053	174,234	62,499	38,320	59,911	343,876	305,113	17,664	733	6,487	154,043	126,185	2,580	27,377	13,486
1965—Dec. 31	303,593	200,109	59,120	44,364	60,327	374,051	330,323	18,149	923	5,508	159,659	146,084	4,325	29,827	13,540
1966—Dec. 31	321,473	217,379	55,788	48,307	68,515	401,409	351,438	19,497	881	4,975	166,689	159,396	4,717	31,609	13,533
1967—Dec. 30	358,536	235,502	62,094	60,941	77,348	448,878	394,118	21,598	1,258	5,219	182,984	183,060	5,531	33,916	13,510
1968—Dec. 31	399,566	264,600	64,028	70,938	83,061	498,071	432,719	24,427	1,155	5,000	198,535	203,602	8,675	36,530	13,481
1969—June 30[6]	408,620	283,199	53,723	71,697	87,311	513,960	423,957	24,889	800	5,624	192,357	200,287	14,450	38,321	13,464
Dec. 31	419,746	294,638	54,399	70,709	89,090	527,598	434,138	26,858	695	5,038	207,311	194,237	18,024	39,450	13,464
1970—June 30	421,141	294,963	51,248	74,929	84,885	526,484	431,094	26,017	829	8,040	191,752	204,456	18,215	41,159	13,478
Dec. 31	458,919	312,006	61,438	85,475	92,708	572,682	479,174	30,233	1,874	7,898	208,037	231,132	19,149	42,427	13,502
National member:															
1941—Dec. 31	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786		1,088	23,262	8,322	4	3,640	5,117
1945—Dec. 31	69,312	13,925	51,250	4,137	20,144	90,220	84,939	9,229		14,013	45,473	16,224	78	4,644	5,017
1947—Dec. 31	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	35	795	53,541	19,278	45	5,409	5,005
1963—Dec. 20	137,447	84,845	33,384	19,218	28,635	170,233	150,823	8,863	146	3,691	76,836	61,288	1,704	13,548	4,615
1964—Dec. 31	151,406	96,688	33,405	21,312	34,064	190,289	169,615	10,521	211	3,604	84,534	70,746	1,109	15,048	4,773
1965—Dec. 31	176,605	118,537	32,347	25,720	36,880	219,744	193,860	12,064	458	3,284	92,533	85,522	2,627	17,434	4,815
1966—Dec. 31	187,251	129,182	30,355	27,713	41,690	235,996	206,456	12,588	437	3,035	96,755	93,642	3,120	18,459	4,799
1967—Dec. 30	208,971	139,315	34,308	35,348	46,634	263,375	231,374	13,877	652	3,142	106,019	107,684	3,478	19,730	4,758
1968—Dec. 31	236,130	159,257	35,300	41,572	50,953	296,594	257,884	15,117	657	3,090	116,422	122,597	5,923	21,524	4,716
1969—June 30[6]	242,241	170,834	29,481	41,927	52,271	305,800	251,489	14,324	437	3,534	113,134	120,060	9,895	22,628	4,700
Dec. 31	247,526	177,435	29,576	40,514	54,721	313,927	256,314	16,299	361	3,049	121,719	114,885	12,279	23,248	4,668
1970—June 30	247,862	176,376	28,191	43,295	51,942	312,480	254,261	14,947	393	5,066	113,296	120,559	13,051	24,106	4,637
Dec. 31	271,760	187,554	34,203	50,004	56,028	340,764	283,663	18,051	982	4,740	122,298	137,592	13,100	24,868	4,620
State member:															
1941—Dec. 31	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739		621	13,874	4,025	1	2,246	1,502
1945—Dec. 31	37,871	8,850	27,089	1,933	9,731	48,084	44,730	4,411		8,166	24,168	7,986	130	2,945	1,867
1947—Dec. 31	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918
1963—Dec. 20	72,680	46,866	15,958	9,855	15,760	91,235	78,553	5,655	236	2,295	40,725	29,642	1,795	7,506	1,497
1964—Dec. 31	77,091	51,002	15,312	10,777	18,673	98,852	86,108	6,486	453	2,234	44,005	32,931	1,372	7,853	1,452
1965—Dec. 31	74,972	51,262	12,645	11,065	15,934	93,640	81,657	5,390	382	1,606	39,598	34,680	1,607	7,492	1,406
1966—Dec. 31	77,377	54,560	11,569	11,247	19,049	99,504	85,547	6,200	357	1,397	41,464	36,129	1,498	7,819	1,351
1967—Dec. 30	85,128	58,513	12,649	13,966	22,312	111,188	95,637	6,934	516	1,489	45,961	40,736	1,892	8,368	1,313
1968—Dec. 31	89,894	61,965	12,581	15,348	22,803	116,885	98,467	8,402	404	1,219	47,498	40,945	2,535	8,536	1,262
1969—June 30[6]	88,346	64,007	9,902	14,437	26,344	119,358	93,858	9,773	285	1,341	45,152	37,307	4,104	8,689	1,236
Dec. 31	90,088	65,560	10,257	14,271	24,313	119,219	94,445	9,541	248	1,065	48,030	35,560	5,116	8,800	1,201
1970—June 30	88,404	64,439	9,133	14,832	23,598	117,209	91,967	10,175	299	1,891	42,620	36,983	4,457	9,078	1,166
Dec. 31	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147
Nonmember:															
1941—Dec. 31	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129		53	4,162	3,360	6	959	6,810
1945—Dec. 31	14,639	2,992	10,584	1,063	4,448	19,256	18,119	244		1,560	10,635	5,680	7	1,083	6,416
1947—Dec. 31	16,444	4,958	10,039	1,448	4,083	20,691	19,340	262	4	149	12,366	6,558	7	1,271	6,478
1963—Dec. 20	42,464	23,550	13,391	5,523	5,942	49,275	44,280	559	61	726	23,140	19,793	72	4,234	7,173
1964—Dec. 31	46,567	26,544	13,790	6,233	7,174	54,747	49,389	658	70	649	25,504	22,509	99	4,488	7,262
1965—Dec. 31	52,028	30,310	14,137	7,581	7,513	60,679	54,806	695	83	618	27,528	25,882	91	4,912	7,320
1966—Dec. 31	56,857	33,636	13,873	9,349	7,777	65,921	59,434	709	87	543	28,471	29,625	99	5,342	7,384
1967—Dec. 30	64,449	37,675	15,146	11,629	8,403	74,328	67,107	786	89	588	31,004	34,640	162	5,830	7,440
1968—Dec. 31	73,553	43,378	16,155	14,020	9,305	84,605	76,368	908	94	691	34,615	40,060	217	6,482	7,504
1969—June 30[6]	78,032	48,358	14,341	15,333	8,696	88,802	78,610	791	78	749	34,070	42,921	451	7,004	7,528
Dec. 31	82,133	51,643	14,565	15,925	10,056	94,453	83,380	1,017	85	924	37,561	43,792	629	7,403	7,595
1970—June 30	84,875	54,149	13,924	16,802	9,346	96,794	84,865	894	137	1,083	35,837	46,913	708	7,975	7,675
Dec. 31	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735

For notes see p. A-23.

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

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments: Total	Loans [1, 2]	Securities: U.S. Treasury	Securities: Other [2]	Cash assets [3]	Total assets—Total liabilities and capital accounts [4]	Deposits: Total [3]	Interbank [3]: Demand	Interbank [3]: Time	Other: Demand: U.S. Govt.	Other: Demand: Other	Other: Time [1]	Borrowings	Total capital accounts	Number of banks
Noninsured nonmember:															
1941—Dec. 31	1,457	455	761	241	763	2,283	1,872	329		1,291		253	13	329	852
1945—Dec. 31	2,211	318	1,693	200	514	2,768	2,452	181		1,905		365	4	279	714
1947—Dec. 31 [5]	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1963—Dec. 20	1,571	745	463	362	374	2,029	1,463	190	83	17	832	341	93	389	285
1964—Dec. 31	2,312	1,355	483	474	578	3,033	2,057	273	86	23	1,141	534	99	406	274
1965—Dec. 31	2,455	1,549	418	489	572	3,200	2,113	277	85	17	1,121	612	147	434	263
1967—Dec. 30	2,638	1,735	370	533	579	3,404	2,172	285	58	15	1,081	733	246	457	211
1968—Dec. 31	2,901	1,875	429	597	691	3,789	2,519	319	56	10	1,366	767	224	464	197
1969—June 30 [6]	2,809	1,800	321	688	898	3,942	2,556	298	81	15	1,430	731	290	502	209
Dec. 31	2,982	2,041	310	632	895	4,198	2,570	316	41	16	1,559	638	336	528	197
1970—June 30	3,043	2,073	321	650	746	4,140	2,280	321	69	36	1,247	606	331	549	193
Dec. 31	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	r184
Total nonmember:															
1941—Dec. 31	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457		5,504		3,613	18	1,288	7,662
1945—Dec. 31	16,849	3,310	12,277	1,262	4,962	22,024	20,571	425		14,101		6,045	11	1,362	7,130
1947—Dec. 31	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	190	167	13,758	7,036	12	1,596	7,261
1963—Dec. 20	44,035	24,295	13,854	5,885	6,316	51,304	45,743	749	144	743	23,972	20,134	165	4,623	7,458
1964—Dec. 31	48,879	27,899	14,273	6,707	7,752	57,780	51,447	931	156	672	26,645	23,043	198	4,894	7,536
1965—Dec. 31	54,483	31,858	14,555	8,070	8,085	63,879	56,919	972	168	635	28,649	26,495	238	5,345	7,583
1967—Dec. 30	67,087	39,409	15,516	12,162	8,983	77,732	69,279	1,071	147	603	32,085	35,372	408	6,286	7,651
1968—Dec. 31	76,454	45,253	16,585	14,617	9,997	88,394	78,887	1,227	150	701	35,981	40,827	441	6,945	7,701
1969—June 30 [6]	80,841	50,159	14,662	16,021	9,594	92,743	81,166	1,090	160	765	35,500	43,652	741	7,506	7,737
Dec. 31	85,115	53,683	14,875	16,556	10,950	98,651	85,949	1,333	126	940	39,120	44,430	965	7,931	7,792
1970—June 30	87,919	56,222	14,245	17,452	10,092	100,934	87,145	1,215	207	1,119	37,084	47,520	1,038	8,523	7,868
Dec. 31	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	r7,919

1 See table (and notes) at the bottom of this page.

2 Beginning June 30, 1966, loans to farmers directly guaranteed by CCC were reclassified as securities, and Export-Import Bank portfolio fund participations were reclassified from loans to securities. This reduced Total loans and increased "Other securities" by about $1 billion. Total loans include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc.," on p. A-24.

3 Reciprocal balances excluded beginning with 1942.

4 Includes items not shown separately. See also note 1.

5 Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

6 Figure takes into account the following changes beginning June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

7 Regarding reclassification as a reserve city, see Aug. 1962 BULLETIN, p. 993. For various changes between reserve city and country status in 1960-63, see note 6, p. 587, May 1964 BULLETIN.

8 Beginning Jan. 4, 1968, a country bank with deposits of $321 million was reclassified as a reserve city bank. Beginning Feb. 29, 1968, a reserve city bank in Chicago with total deposits of $190 million was reclassified as a country bank.

NOTE.—Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; and nondeposit trust companies.

For the period June 1941–June 1962 member banks include mutual savings banks as follows: three before Jan. 1960; two through Dec. 1960, and one through June 1962. Those banks are not included in insured commercial banks.

Beginning June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business.

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

Data for national banks for Dec. 31, 1965, have been adjusted to make them comparable with State bank data.

Figures are partly estimated except on call dates.

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

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1968	Dec. 31, 1969	June 30, 1970	Dec. 31, 1970
All commercial	1,216	1,131	945	804
Insured	1,216	1,129	943	803
National member	730	688	536	433
State member	207	188	178	147
All member	937	876	714	580
All member—Cont.				
Other reserve city	332	304	222	143
Country	605	571	492	437
All nonmember	278	255	230	224
Insured	278	253	229	223
Noninsured		2	2	1

NOTE.—These hypothecated deposits are excluded from Time deposits and Loans at all commercial banks beginning with June 30, 1966, as shown in the tables on pp. A-20, A-21, and A-26 - A-30 (consumer instalment loans), and in the table at the bottom of p. A-18. These changes resulted from a change in Federal Reserve regulations. See June 1966 BULLETIN, p. 808.

These deposits have not been deducted from Time deposits and Loans for commercial banks as shown on pp. A-22 and A-23 and on pp. A-24 and A-25 (IPC only for time deposits).

LOANS AND INVESTMENTS BY CLASS OF BANK

(In millions of dollars)

Class of bank and call date	Total loans[1] and investments	Federal funds sold, etc.[2]	Other loans[1]: Total[3, 4]	Other loans: Commercial and industrial	Other loans: Agricultural[5]	For purchasing or carrying securities: To brokers and dealers	For purchasing or carrying securities: To others	To financial institutions: Banks	To financial institutions: Others	Real estate	Other, to individuals[3]	Other[5]	Investments: U.S. Treasury securities[6]: Total	Bills and certificates	Notes	Bonds	State and local govt. securities	Other securities[5]
Total:[2]																		
1947—Dec. 31	116,284	......	38,057	18,167	1,660	830	1,220	115	......	9,393	5,723	947	69,221	9,982	6,034	53,205	5,276	3,729
1969—Dec. 31[10]	422,728	9,928	286,750	108.443	10,329	5,739	4,027	2,488	15,062	70,020	63,256	7,388	54,709	......	......	......	59,183	12,158
1970—June 30	424,184	11,193	285,843	108,361	11,233	3,972	3,565	2,522	14,393	70,550	64,180	7,068	51,569	......	......	......	62,975	12,604
Dec. 31	461,998	16,241	297,897	112,486	11,155	6,332	3,536	2,660	15,855	72,492	65,807	7,574	61,742	......	......	......	69,637	16,481
All insured:																		
1941—Dec. 31	49,290	......	21,259	9,214	1,450	614	662	40	......	4,773	4,505		21,046	988	3,159	16,899	3,651	3,333
1945—Dec. 31	121,809	......	25,765	9,461	1,314	3,164	3,606	49	......	4,677	2,361	1,132	88,912	21,526	16,045	51,342	3,873	3,258
1947—Dec. 31	114,274	......	37,583	18,012	1,610	823	1,190	114	......	9,266	5,654	914	67,941	9,676	5,918	52,347	5,129	3,621
1969—Dec. 31[10]	419,746	9,693	284,945	107,685	10,314	5,644	3,991	2,425	14,890	69,669	63,008	7,319	54,399	......	......	......	58,840	11,869
1970—June 30	421,141	10,867	284,096	107,567	11,215	3,886	3,541	2,457	14,248	70,252	63,921	7,009	51,248	......	......	......	62,619	12,311
Dec. 31	458,919	15,942	296,064	111,540	11,141	6,207	3,516	2,581	15,713	72,302	65,556	7,507	61,438	......	......	......	69,301	16,174
Member—Total:																		
1941—Dec. 31	43,521	......	18,021	8,671	972	594	598	39	......	3,494	3,653		19,539	971	3,007	15,561	3,090	2,871
1945—Dec. 31	107,183	......	22,775	8,949	855	3,133	3,378	47	......	3,455	1,900	1,057	78,338	19,260	14,271	44,807	3,254	2,815
1947—Dec. 31	97,846	......	32,628	16,962	1,046	811	1,065	113	......	7,130	4,662	839	57,914	7,803	4,815	45,295	4,199	3,105
1969—Dec. 31[10]	337,613	7,356	235,639	96,095	6,187	5,408	3,286	2,258	14,035	53,207	48,388	6,776	39,833	......	......	......	47,227	7,558
1970—June 30	336,266	8,267	232,548	95,190	6,626	3,749	2,920	2,228	13,452	53,215	48,729	6,439	37,324	......	......	......	50,108	8,019
Dec. 31	366,520	12,677	241,840	97,954	6,538	5,963	3,028	2,345	14,688	54,600	49,829	6,895	45,399	......	......	......	55,662	10,942
New York City:																		
1941—Dec. 31	12,896	......	4,072	2,807	8	412	169	32	......	123	522		7,265	311	1,623	5,331	729	830
1945—Dec. 31	26,143	......	7,334	3,044	......	2,453	1,172	26	......	80	287	272	17,574	3,910	3,325	10,339	606	629
1947—Dec. 31	20,393	......	7,179	5,361	......	545	267	93	......	111	564	238	11,972	1,642	558	9,772	638	604
1969—Dec. 31[10]	60,333	802	47,503	28,189	12	3,695	776	1,047	4,547	3,835	3,595	1,807	5,048	......	......	......	6,192	788
1970—June 30	57,088	553	44,328	26,692	16	2,444	741	1,228	4,178	3,728	3,773	1,528	4,413	......	......	......	6,847	948
Dec. 31	62,347	774	46,386	27,189	15	4,174	686	1,169	3,741	3,883	3,907	1,622	6,009	......	......	......	7,757	1,420
City of Chicago:																		
1941—Dec. 31	2,760	......	954	732	6	48	52	1	......	22	95		1,430	256	153	1,022	182	193
1945—Dec. 31	5,931	......	1,333	760	2	211	233	......	......	36	51	40	4,213	1,600	749	1,864	181	204
1947—Dec. 31	5,088	......	1,801	1,418	3	73	87	......	......	46	149	26	2,890	367	248	2,274	213	185
1969—Dec. 31[10]	14,365	215	10,556	6,444	50	337	262	186	1,219	842	862	354	1,564	......	......	......	1,837	192
1970—June 30	14,648	383	10,603	6,635	45	379	141	152	1,154	823	942	331	1,540	......	......	......	1,861	261
Dec. 31	15,745	475	10,739	6,502	42	356	191	138	1,284	864	1,015	346	2,105	......	......	......	2,055	372
Other reserve city:																		
1941—Dec. 31	15,347	......	7,105	3,456	300	114	194	4	......	1,527	1,508		6,467	295	751	5,421	956	820
1945—Dec. 31	40,108	......	8,514	3,661	205	427	1,503	17	......	1,459	855	387	29,552	8,016	5,653	15,883	1,126	916
1947—Dec. 31	36,040	......	13,449	7,088	225	170	484	15	......	3,147	1,969	351	20,196	2,731	1,901	15,563	1,342	1,053
1969—Dec. 31[10]	121,628	3,021	88,180	37,701	1,386	878	1,300	876	6,006	19,706	17,569	2,757	11,944	......	......	......	16,625	1,859
1970—June 30	121,435	3,473	86,901	37,502	1,478	588	1,151	689	5,981	19,536	17,156	2,820	11,372	......	......	......	17,733	1,955
Dec. 31	133,861	6,007	90,293	38,627	1,428	909	1,322	798	7,015	19,848	17,322	3,024	14,700	......	......	......	19,771	3,089
Country:																		
1941—Dec. 31	12,518	......	5,890	1,676	659	20	183	2	......	1,823	1,528		4,377	110	481	3,787	1,222	1,028
1945—Dec. 31	35,002	......	5,596	1,484	648	42	471	4	......	1,881	707	359	26,999	5,732	4,544	16,722	1,342	1,067
1947—Dec. 31	36,324	......	10,199	3,096	818	23	227	5	......	3,827	1,979	224	22,857	3,063	2,108	17,687	2,006	1,262
1969—Dec. 31[10]	141,286	3,318	89,401	23,762	4,739	498	947	148	2,263	28,824	26,362	1,858	21,278	......	......	......	22,572	4,718
1970—June 30	143,095	3,858	90,716	24,361	5,088	337	887	159	2,139	29,127	26,858	1,759	19,999	......	......	......	23,667	4,855
Dec. 31	154,568	5,420	94,421	25,637	5,052	524	828	239	2,648	30,005	27,585	1,903	22,586	......	......	......	26,079	6,062
Nonmember:																		
1947—Dec. 31	18,454	......	5,432	1,205	614	20	156	2	......	2,266	1,061	109	11,318	2,179	1,219	7,920	1,073	625
1969—Dec. 31[10]	85,115	2,572	51,111	12,348	4,141	329	741	231	1,028	16,813	14,868	612	14,875	......	......	......	11,956	4,600
1970—June 30	87,919	2,926	53,296	13,171	4,606	223	645	294	941	17,336	15,451	629	14,245	......	......	......	12,876	4,585
Dec. 31	95,478	3,564	56,058	14,532	4,617	369	507	316	1,168	17,891	15,978	679	16,342	......	......	......	13,975	5,538

[1] Beginning with June 30, 1948, figures for various loan items are shown gross (i.e., before deduction of valuation reserves); they do not add to the total and are not entirely comparable with prior figures. Total loans continue to be shown net. See also note 10.

[2] *Includes securities purchased under resale agreements.* Prior to June 30, 1967, they were included in loans—for the most part in loans to "Banks." Prior to Dec. 1965, Federal funds sold were included with "Total" loans and loans to "Banks."

[3] See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. A-23.

[4] Breakdowns of loan, investment, and deposit classifications are not available before 1947; summary figures for 1941 and 1945 appear in the table on pp. A-20—A-23.

[5] Beginning with June 30, 1966, loans to farmers directly guaranteed by CCC were reclassified as "Other securities," and Export-Import Bank portfolio fund participations were reclassified from loans to "Other securities." This increased "Other securities" by about $1 billion.

[6] Beginning with Dec. 31, 1965, components shown at par rather than at book value; they do not add to the total (shown at book value) and are not entirely comparable with prior figures. See also note 10.

For other notes see opposite page.

RESERVES AND LIABILITIES BY CLASS OF BANK

(In millions of dollars)

Class of bank and call date	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks[7]	Demand deposits adjusted[8]	Demand deposits: Interbank: Domestic[7]	Demand deposits: Interbank: Foreign[9]	Demand deposits: U.S. Govt.	Demand deposits: State and local govt.	Demand deposits: Certified and officers' checks, etc.	Demand deposits: IPC	Time deposits: Interbank	Time deposits: U.S. Govt. and Postal Savings	Time deposits: State and local govt.	Time deposits: IPC[3]	Borrowings	Capital accounts
Total:[3]																
1947—Dec. 31	17,796	2,216	10,216	87,123	11,362	1,430	1,343	6,799	2,581	84,987	240	111	866	34,383	65	10,059
1969—Dec. 31[10]	21,449	7,320	20,314	172,079	24,553	2,620	5,054	17,558	11,899	179,413	735	211	13,221	181,443	18,360	39,978
1970—June 30	21,526	7,090	18,208	158,241	23,759	2,579	8,076	17,062	10,254	165,683	898	202	17,148	187,713	18,546	41,708
Dec. 31	23,319	7,046	23,136	173,912	27,442	3,166	7,938	17,763	8,540	183,032	1,975	463	23,225	208,201	19,375	42,958
All insured:																
1941—Dec. 31	12,396	1,358	8,570	37,845	9,823	673	1,762	3,677	1,077	36,544	158	59	492	15,146	10	6,844
1945—Dec. 31	15,810	1,829	11,075	74,722	12,566	1,248	23,740	5,098	2,585	72,593	70	103	496	29,277	215	8,671
1947—Dec. 31	17,796	2,145	9,736	85,751	11,236	1,379	1,325	6,692	2,559	83,723	54	111	826	33,946	61	9,734
1969—Dec. 31[10]	21,449	7,292	19,528	170,280	24,386	2,471	5,038	17,434	11,476	178,401	695	211	13,166	180,860	18,024	39,450
1970—June 30	21,526	7,061	17,577	156,743	23,624	2,393	8,040	16,955	10,073	164,725	829	202	17,088	187,166	18,215	41,159
Dec. 31	23,319	7,028	22,332	172,351	27,235	2,998	7,898	17,636	8,352	182,048	1,874	462	23,150	207,519	19,149	42,427
Member—Total:																
1941—Dec. 31	12,396	1,087	6,246	33,754	9,714	671	1,709	3,066	1,009	33,061	140	50	418	11,878	4	5,886
1945—Dec. 31	15,811	1,438	7,117	64,184	12,333	1,243	22,179	4,240	2,450	62,950	64	99	399	23,712	208	7,589
1947—Dec. 31	17,797	1,672	6,270	73,528	10,978	1,375	1,176	5,504	2,401	72,704	50	105	693	27,542	54	8,464
1969—Dec. 31[10]	21,449	5,676	11,931	133,435	23,441	2,399	4,114	13,274	10,483	145,992	609	186	9,951	140,308	17,395	32,047
1970—June 30	21,526	5,476	10,617	121,562	22,809	2,313	6,957	12,930	9,179	133,807	691	168	13,142	144,233	17,507	33,184
Dec. 31	23,319	5,445	13,744	133,169	26,260	2,882	6,460	13,250	7,309	147,473	1,733	406	18,406	160,998	18,578	34,100
New York City:																
1941—Dec. 31	5,105	93	141	10,761	3,595	607	866	319	450	11,282	6	.....	29	778	.....	1,648
1945—Dec. 31	4,015	111	78	15,065	3,535	1,105	6,940	237	1,338	15,712	17	10	20	1,206	195	2,120
1947—Dec. 31	4,639	151	70	16,653	3,236	1,217	267	290	1,105	17,646	12	12	14	1,418	30	2,259
1969—Dec. 31[10]	4,358	463	455	21,316	8,708	1,641	694	1,168	6,605	28,354	268	45	207	14,692	4,405	6,301
1970—June 30	4,621	429	606	17,479	9,474	1,673	1,236	1,136	5,628	25,825	321	40	572	14,708	4,057	6,374
Dec. 31	4,683	436	1,308	19,770	10,283	2,225	1,039	1,171	3,286	27,779	956	71	1,464	18,913	4,500	6,486
City of Chicago:																
1941—Dec. 31	1,021	43	298	2,215	1,027	8	127	233	34	2,152	.....	.....	.....	476	.....	288
1945—Dec. 31	942	36	200	3,153	1,292	20	1,552	237	66	3,160	.....	.....	.....	719	.....	377
1947—Dec. 31	1,070	30	175	3,737	1,196	21	72	285	63	3,853	.....	2	9	902	.....	426
1969—Dec. 31[10]	869	123	150	5,221	1,581	96	175	268	229	6,273	15	1	216	4,409	1,290	1,517
1970—June 30	885	96	135	4,683	1,607	75	347	326	178	5,597	16	1	390	4,729	1,507	1,566
Dec. 31	1,148	126	160	5,120	1,853	77	282	240	210	6,213	49	.....	568	5,549	1,851	1,586
Other reserve city:																
1941—Dec. 31	4,060	425	2,590	11,117	4,302	54	491	1,144	286	11,127	104	20	243	4,542	.....	1,967
1945—Dec. 31	6,326	494	2,174	22,372	6,307	110	8,221	1,763	611	22,281	30	38	160	9,563	2	2,566
1947—Dec. 31	7,095	562	2,125	25,714	5,497	131	405	2,282	705	26,003	22	45	332	11,045	1	2,844
1969—Dec. 31[10]	9,044	1,787	3,456	44,169	10,072	590	1,575	3,934	1,928	53,062	242	86	4,609	50,439	9,881	11,464
1970—June 30	8,784	1,728	2,810	40,393	9,021	509	3,115	3,798	1,723	47,797	273	67	6,005	51,588	9,779	11,868
Dec. 31	9,710	1,748	3,731	44,093	10,805	512	2,547	3,793	2,035	53,499	592	222	8,489	58,165	10,391	12,221
Country:																
1941—Dec. 31	2,210	526	3,216	9,661	790	2	225	1,370	239	8,500	30	31	146	6,082	4	1,982
1945—Dec. 31	4,527	796	4,665	23,595	1,199	8	5,465	2,004	435	21,797	17	52	219	12,224	11	2,525
1947—Dec. 31	4,993	929	3,900	27,424	1,049	7	432	2,647	528	25,203	17	45	337	14,177	23	2,934
1969—Dec. 31[10]	7,179	3,302	7,870	62,729	3,080	72	1,671	7,905	1,721	58,304	84	54	4,920	70,768	1,820	12,766
1970—June 30	7,236	3,222	7,066	59,008	2,707	56	2,259	7,670	1,650	54,587	81	60	6,176	73,207	2,164	13,377
Dec. 31	7,778	3,135	8,544	64,185	3,319	68	2,592	8,045	1,779	59,982	135	112	7,885	78,370	1,836	13,807
Nonmember:[3]																
1947—Dec. 31	....	544	3,947	13,595	385	55	167	1,295	180	12,284	190	6	172	6,858	12	1,596
1969—Dec. 31[10]	....	1,644	8,383	38,644	1,112	222	940	4,284	1,416	33,420	126	25	3,269	41,135	965	7,931
1970—June 30	....	1,614	7,592	36,678	949	266	1,119	4,132	1,075	31,877	207	34	4,005	43,480	1,038	8,523
Dec. 31	....	1,602	9,392	40,743	1,182	284	1,478	4,513	1,230	35,560	243	57	4,819	47,200	796	8,858

[7] Beginning with 1942, excludes reciprocal bank balances.

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

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

[10] Beginning June 30, 1969, reflects (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves. See also notes 1 and 6.

NOTE.—Data are for all commercial banks in the United States; member banks in U.S. possessions were included through 1968 and then excluded.

For the period June 1941—June 1962 member banks include mutual savings banks as follows: three before Jan. 1960, two through Dec. 1960, and one through June 1962. Those banks are not included in all insured or total banks.

A small noninsured member bank engaged exclusively in trust business is treated as a noninsured bank and not as a member bank for the period June 30, 1969—June 30, 1970.

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

For other notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and investments	Loans: Federal funds sold, etc.[1]: Total	Federal funds sold: To commercial banks	Federal funds sold: To brokers and dealers involving— U.S. Treasury securities	Federal funds sold: To brokers and dealers involving— Other securities	Federal funds sold: To others	Other: Total	Other: Commercial and industrial	Other: Agricultural	For purchasing or carrying securities: To brokers and dealers: U.S. Treas-ury secs.	For purchasing or carrying securities: To brokers and dealers: Other secs.	For purchasing or carrying securities: To others: U.S. Treas-ury secs.	For purchasing or carrying securities: To others: Other secs.	To nonbank finan. institutions: Pers. and sales finan. cos., etc.	To nonbank finan. institutions: Other
Large banks—Total															
1970															
May 6	236,643	6,708	6,252	265	82	109	169,205	79,027	2,025	546	3,310	100	2,327	5,803	5,504
13	235,591	7,249	6,728	346	74	101	167,974	78,598	2,018	477	3,019	97	2,308	5,495	5,439
20	234,274	5,980	5,642	196	71	71	167,806	78,365	2,022	641	3,183	95	2,301	5,352	5,469
27	234,231	6,216	5,693	360	84	79	167,582	77,910	2,031	513	3,277	92	2,290	5,355	5,512
1971															
Apr. 7	264,321	10,302	7,782	1,994	413	113	177,143	81,019	2,059	1,681	4,236	127	2,331	7,039	6,005
14	265,107	10,715	8,458	1,597	455	205	176,995	81,162	2,081	1,100	4,195	119	2,316	7,088	6,054
21	264,312	9,525	8,329	735	311	150	177,078	81,336	2,096	895	3,885	117	2,329	7,213	6,151
28	260,545	8,233	7,100	773	268	92	176,634	81,191	2,089	579	3,719	89	2,330	7,035	6,260
May 5p	262,300	8,214	7,467	392	258	97	177,782	81,467	2,109	556	4,092	110	2,321	7,305	6,446
12p	264,516	9,709	8,520	528	262	399	179,186	81,785	2,121	718	4,244	108	2,361	7,363	6,582
19p	262,203	9,049	7,970	462	183	434	178,915	81,912	2,130	467	4,075	107	2,348	7,035	6,614
26p	259,809	6,974	6,071	405	139	359	178,402	81,595	2,155	565	3,721	122	2,344	6,830	6,671
New York City															
1970															
May 6	54,484	1,525	1,504	6	....	15	41,660	25,559	13	447	2,048	12	701	1,972	1,576
13	53,428	1,430	1,415	2	....	13	40,875	25,328	13	325	1,856	11	697	1,781	1,528
20	53,279	1,161	1,136	10	....	15	40,865	25,156	13	492	2,064	11	689	1,707	1,544
27	53,932	1,700	1,682	5	....	13	40,877	24,953	14	357	2,197	11	685	1,754	1,573
1971															
Apr. 7	58,186	843	791	35	....	17	43,389	25,617	20	1,213	2,911	20	602	2,211	1,400
14	57,929	1,084	894	50	40	100	43,078	25,555	20	879	2,857	21	600	2,244	1,399
21	57,593	1,046	937	70	....	39	42,538	25,550	20	712	2,592	22	601	2,161	1,456
28	56,510	1,338	1,185	118	....	35	41,843	25,381	20	472	2,420	18	599	2,090	1,453
May 5p	56,554	728	662	46	....	20	42,279	25,297	20	461	2,760	21	615	2,190	1,495
12p	57,404	972	680	31	....	261	43,204	25,727	20	608	2,847	19	612	2,209	1,525
19p	56,918	1,541	1,198	71	....	272	42,800	25,699	20	365	2,747	18	596	2,160	1,519
26p	55,519	723	488	13	20	202	42,228	25,492	20	426	2,459	19	591	2,029	1,551
Outside New York City															
1970															
May 6	182,159	5,183	4,748	259	82	94	127,545	53,468	2,012	99	1,262	88	1,626	3,831	3,928
13	182,163	5,819	5,313	344	74	88	127,099	53,270	2,005	152	1,163	86	1,611	3,714	3,911
20	180,995	4,819	4,506	186	71	56	126,941	53,209	2,009	149	1,119	84	1,612	3,645	3,925
27	180,299	4,516	4,011	355	84	66	126,705	52,957	2,017	156	1,080	81	1,605	3,601	3,939
1971															
Apr. 7	206,135	9,459	6,991	1,959	413	96	133,754	55,402	2,039	468	1,325	107	1,729	4,828	4,605
14	207,178	9,631	7,564	1,547	415	105	133,917	55,607	2,061	221	1,338	98	1,716	4,844	4,655
21	206,719	8,479	7,392	665	311	111	134,540	55,786	2,076	183	1,293	95	1,728	5,052	4,695
28	204,035	6,895	5,915	655	268	57	134,791	55,810	2,069	107	1,299	71	1,731	4,945	4,807
May 5p	205,746	7,486	6,805	346	258	77	135,503	56,170	2,089	95	1,332	89	1,706	5,115	4,951
12p	207,112	8,737	7,840	497	262	138	135,982	56,058	2,101	110	1,397	89	1,749	5,154	5,057
19p	205,285	7,508	6,772	391	183	162	136,115	56,213	2,110	102	1,328	89	1,752	4,875	5,095
26p	204,290	6,251	5,583	392	119	157	136,174	56,103	2,135	139	1,262	103	1,753	4,801	5,120

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.)						Investments						
Other (cont.)						U.S. Treasury securities						
Real estate	To commercial banks: Domestic	To commercial banks: Foreign	Consumer instalment	Foreign govts.[2]	All other	Total	Bills	Certificates	Notes and bonds maturing—Within 1 yr.	Notes and bonds maturing—1 to 5 yrs.	Notes and bonds maturing—After 5 yrs.	Wednesday
												Large banks—Total
												1970
33,358	468	1,342	20,309	993	14,093	22,426	2,965	....	3,443	13,616	2,402	May 6
33,425	417	1,355	20,369	987	13,970	22,055	2,645	....	3,412	13,618	2,380	13
33,417	403	1,317	20,380	984	13,877	22,652	2,335	....	3,181	14,723	2,413	20
33,469	452	1,420	20,413	991	13,857	22,779	2,510	....	3,367	14,513	2,389	27
												1971
34,445	583	1,451	21,586	770	13,811	28,380	6,110	....	3,066	15,134	4,070	Apr. 7
34,571	579	1,474	21,653	802	13,801	28,387	6,143	....	3,104	15,127	4,013	14
34,648	530	1,412	21,678	786	14,002	28,075	5,854	....	3,125	15,151	3,945	21
34,729	562	1,488	21,786	805	13,972	26,569	4,409	....	3,161	15,070	3,929	28
34,749	561	1,384	21,813	767	14,102	26,506	4,211	....	3,258	15,081	3,956	May 5p
34,866	671	1,715	21,901	808	13,943	26,154	3,938	....	3,273	14,995	3,948	12p
34,933	659	1,861	21,938	800	14,036	25,231	3,365	....	3,322	14,820	3,724	19p
35,044	638	1,866	22,040	814	13,997	25,567	3,861	....	3,320	14,735	3,651	26p
												New York City
												1970
3,362	266	730	1,653	620	2,701	4,424	1,066	....	491	2,597	270	May 6
3,378	232	717	1,655	614	2,740	4,300	941	....	495	2,600	264	13
3,381	217	701	1,660	609	2,621	4,582	779	....	353	3,098	352	20
3,404	242	793	1,670	610	2,614	4,723	936	....	346	3,080	361	27
												1971
3,581	206	824	1,819	472	2,493	5,693	1,713	....	371	2,896	713	Apr. 7
3,611	184	840	1,831	502	2,535	5,525	1,567	....	378	2,867	713	14
3,624	126	776	1,824	501	2,573	5,486	1,552	....	363	2,883	688	21
3,628	155	830	1,820	508	2,449	5,053	1,154	....	368	2,885	646	28
3,660	138	706	1,816	488	2,612	5,079	1,018	....	457	2,914	690	May 5p
3,678	242	903	1,821	524	2,469	5,025	1,086	....	456	2,838	645	12p
3,689	200	988	1,824	515	2,460	4,570	786	....	446	2,778	560	19p
3,700	151	960	1,822	518	2,490	4,781	1,060	....	436	2,736	549	26p
												Outside New York City
												1970
29,996	202	612	18,656	373	11,392	18,002	1,899	....	2,952	11,019	2,132	May 6
30,047	185	638	18,714	373	11,230	17,755	1,704	....	2,917	11,018	2,116	13
30,036	186	616	18,720	375	11,256	18,070	1,556	....	2,828	11,625	2,061	20
30,065	210	627	18,743	381	11,243	18,056	1,574	....	3,021	11,433	2,028	27
												1971
30,864	377	627	19,767	298	11,318	22,687	4,397	....	2,695	12,238	3,357	Apr. 7
30,960	395	634	19,822	300	11,266	22,862	4,576	....	2,726	12,260	3,300	14
31,024	404	636	19,854	285	11,429	22,589	4,302	....	2,762	12,268	3,257	21
31,101	407	658	19,966	297	11,523	21,516	3,255	....	2,793	12,185	3,283	28
31,089	423	678	19,997	279	11,490	21,427	3,193	....	2,801	12,167	3,266	May 5p
31,188	429	812	20,080	284	11,474	21,129	2,852	....	2,817	12,157	3,303	12p
31,244	459	873	20,114	285	11,576	20,661	2,579	....	2,876	12,042	3,164	19p
31,344	487	906	20,218	296	11,507	20,786	2,801	....	2,884	11,999	3,102	26p

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Investments (cont.) — Other securities — Total	Obligations of State and political subdivisions — Tax warrants[3]	Obligations of State and political subdivisions — All other	Other bonds, corp. stock, and securities — Certif. of participation[4]	Other bonds, corp. stock, and securities — All other[5]	Cash items in process of collection	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks	Investments in subsidiaries not consolidated	Other assets	Total assets/total liabilities
Large banks—Total												
1970												
May 6	38,304	4,994	29,154	1,019	3,137	32,803	17,747	2,956	5,039	683	13,996	309,867
13	38,313	4,993	29,171	1,092	3,057	31,314	16,921	3,252	4,708	685	13,840	306,311
20	37,836	4,758	29,043	1,012	3,023	31,632	17,049	3,210	4,722	688	13,807	305,382
27	37,654	4,670	28,963	1,017	3,004	31,408	15,967	3,295	4,542	689	13,811	303,943
1971												
Apr. 7	48,496	7,294	34,256	1,180	5,766	31,817	17,959	3,158	7,101	736	15,257	340,349
14	49,010	7,347	34,611	1,190	5,862	36,811	18,041	3,528	7,066	737	15,287	346,577
21	49,634	7,947	34,570	1,192	5,925	34,084	18,648	3,486	6,397	741	15,220	342,888
28	49,109	7,762	34,353	1,169	5,825	32,615	19,298	3,560	6,605	742	15,174	338,539
May 5p	49,798	7,849	34,866	1,172	5,911	33,651	21,038	3,127	6,738	757	15,641	343,252
12p	49,467	7,709	34,666	1,201	5,891	32,277	17,961	3,436	7,268	757	15,734	341,949
19p	49,008	7,360	34,673	1,159	5,816	32,059	19,461	3,455	6,333	760	15,609	339,880
26p	48,866	7,389	34,593	1,175	5,709	28,466	19,688	3,569	5,958	757	15,566	333,813
New York City												
1970												
May 6	6,875	1,369	4,575	94	837	17,020	4,841	406	600	311	5,130	82,792
13	6,823	1,314	4,612	89	808	15,409	4,643	433	542	311	4,948	79,714
20	6,671	1,259	4,544	81	787	15,625	4,633	404	536	311	5,005	79,793
27	6,632	1,200	4,569	83	780	16,353	4,115	431	615	311	4,920	80,677
1971												
Apr. 7	8,261	1,373	5,346	123	1,419	14,905	4,298	414	1,204	341	5,545	84,893
14	8,242	1,317	5,416	127	1,382	18,090	4,946	439	1,065	341	5,447	88,257
21	8,523	1,685	5,306	122	1,410	15,896	4,994	418	1,056	341	5,447	85,745
28	8,276	1,598	5,167	123	1,388	16,275	4,986	437	1,129	341	5,390	85,068
May 5p	8,468	1,521	5,445	119	1,383	15,788	5,808	399	1,120	343	5,702	85,714
12p	8,203	1,538	5,240	111	1,314	14,580	4,418	425	1,338	343	5,727	84,235
19p	8,007	1,319	5,278	111	1,299	14,716	4,696	410	1,057	345	5,732	83,874
26p	7,787	1,338	5,130	128	1,191	12,530	5,199	429	866	342	5,761	80,646
Outside New York City												
1970												
May 6	31,429	3,625	24,579	925	2,300	15,783	12,906	2,550	4,439	372	8,866	227,075
13	31,490	3,679	24,559	1,003	2,249	15,905	12,278	2,819	4,166	374	8,892	226,597
20	31,165	3,499	24,499	931	2,236	16,007	12,416	2,806	4,186	377	8,802	225,589
27	31,022	3,470	24,394	934	2,224	15,055	11,852	2,864	3,927	378	8,891	223,266
1971												
Apr. 7	40,235	5,921	28,910	1,057	4,347	16,912	13,661	2,744	5,897	395	9,712	255,456
14	40,768	6,030	29,195	1,063	4,480	18,721	13,095	3,089	6,001	396	9,840	258,320
21	41,111	6,262	29,264	1,070	4,515	18,188	13,654	3,068	5,341	400	9,773	257,143
28	40,833	6,164	29,186	1,046	4,437	16,340	14,312	3,123	5,476	401	9,784	253,471
May 5p	41,330	6,328	29,421	1,053	4,528	17,863	15,230	2,728	5,618	414	9,939	257,538
12p	41,264	6,171	29,426	1,090	4,577	17,697	13,543	3,011	5,930	414	10,007	257,714
19p	41,001	6,041	29,395	1,048	4,517	17,343	14,765	3,045	5,276	415	9,877	256,006
26p	41,079	6,051	29,463	1,047	4,518	15,936	14,489	3,140	5,092	415	9,805	253,167

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits															
Demand									Time and savings						Wednesday
				Domestic interbank		Foreign				IPC					
Total	IPC	States and political subdivisions	U.S. Govt.	Commercial	Mutual savings	Govts., etc.[2]	Commercial banks	Certified and officers' checks	Total[6]	Savings	Other	States and political subdivisions	Domestic interbank	Foreign govts.[2]	
															Large banks—Total
															1970
134,258	90,088	6,923	4,471	19,034	623	826	2,159	10,134	99,221	45,964	36,753	8,983	338	6,912	May 6
130,392	90,872	6,329	2,677	18,261	549	1,054	2,296	8,354	99,312	45,969	36,872	8,970	334	6,894	13
132,140	90,000	6,371	6,136	17,825	528	767	2,120	8,393	99,513	46,058	36,831	8,985	350	7,020	20
130,554	91,017	6,353	3,760	17,108	536	718	2,171	8,891	99,470	46,066	36,919	8,972	353	6,889	27
															1971
140,699	97,896	6,409	1,971	22,668	829	763	2,324	7,839	128,846	53,083	55,192	14,421	1,520	4,085	Apr. 7
146,283	101,985	6,419	2,717	21,467	725	861	2,225	9,884	128,724	53,026	54,945	14,557	1,507	4,152	14
143,975	98,470	6,380	5,483	22,075	662	790	2,214	7,901	128,632	53,021	54,307	15,066	1,563	4,161	21
141,474	97,099	6,353	5,833	20,750	631	778	2,329	7,701	129,338	53,043	54,797	15,229	1,565	4,162	28
143,385	96,054	7,674	5,685	21,762	714	827	2,370	8,299	129,537	53,159	54,871	15,205	1,595	4,179	May 5p
142,093	96,567	6,654	6,653	21,083	652	876	2,291	7,317	129,792	53,261	55,031	15,316	1,529	4,118	12p
139,271	96,205	6,549	5,114	20,321	635	791	2,176	7,480	130,567	53,396	55,387	15,285	1,563	4,393	19p
136,096	95,926	6,249	5,317	18,616	841	762	2,214	6,171	131,146	53,434	55,662	15,379	1,577	4,554	26p
															New York City
															1970
42,146	21,577	732	1,052	8,432	331	661	1,510	7,851	13,900	4,386	4,477	359	198	4,375	May 6
39,759	21,556	514	465	8,085	286	877	1,644	6,332	13,801	4,381	4,473	362	196	4,283	13
40,283	21,643	521	1,602	7,758	272	601	1,464	6,422	13,791	4,390	4,370	343	214	4,368	20
40,756	22,846	415	853	7,477	288	557	1,511	6,809	13,760	4,385	4,426	343	214	4,287	27
															1971
41,319	22,556	642	284	10,126	469	592	1,682	4,968	21,049	5,218	11,566	1,174	767	2,195	Apr. 7
44,392	23,695	552	628	9,807	398	687	1,562	7,063	21,233	5,235	11,664	1,203	778	2,225	14
42,552	22,739	477	1,316	10,322	349	608	1,553	5,188	21,044	5,270	11,292	1,256	848	2,268	21
42,800	23,143	370	1,356	10,202	323	610	1,641	5,155	21,464	5,288	11,660	1,283	861	2,248	28
43,094	22,337	1,189	1,317	9,953	372	654	1,728	5,544	21,475	5,310	11,764	1,229	827	2,222	May 5p
41,253	21,766	442	1,654	9,844	334	703	1,654	4,856	21,437	5,323	11,740	1,272	766	2,208	12p
40,735	22,150	587	1,140	9,346	332	601	1,528	5,051	21,635	5,342	11,789	1,286	767	2,320	19p
38,695	22,345	417	1,356	8,066	556	560	1,540	3,855	21,932	5,337	11,878	1,313	784	2,491	26p
															Outside New York City
															1970
92,112	68,511	6,191	3,419	10,602	292	165	649	2,283	85,321	41,578	32,276	8,624	140	2,537	May 6
90,633	69,316	5,815	2,212	10,176	263	177	652	2,022	85,511	41,588	32,399	8,608	138	2,611	13
91,857	68,357	5,850	4,534	10,067	256	166	656	1,971	85,722	41,668	32,461	8,642	136	2,652	20
89,798	68,171	5,938	2,907	9,631	248	161	660	2,082	85,710	41,681	32,493	8,629	139	2,602	27
															1971
99,380	75,340	5,767	1,687	12,542	360	171	642	2,871	107,797	47,865	43,626	13,247	753	1,890	Apr. 7
101,891	78,290	5,867	2,089	11,660	327	174	663	2,821	107,491	47,791	43,281	13,354	729	1,927	14
101,423	75,731	5,903	4,167	11,753	313	182	661	2,713	107,588	47,751	43,015	13,810	715	1,893	21
98,674	73,956	5,983	4,477	10,548	308	168	688	2,546	107,874	47,755	43,137	13,946	704	1,914	28
100,291	73,717	6,485	4,368	11,809	342	173	642	2,755	108,062	47,849	43,107	13,976	768	1,957	May 5p
100,840	74,801	6,212	4,999	11,239	318	173	637	2,461	108,355	47,938	43,291	14,044	763	1,910	12p
98,536	74,055	5,962	3,974	10,975	303	190	648	2,429	108,932	48,054	43,598	13,999	796	2,073	19p
97,401	73,581	5,832	3,961	10,550	285	202	674	2,316	109,214	48,097	43,784	14,066	793	2,063	26p

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Federal funds purchased, etc.[7]	Borrowings from— F.R. Banks	Borrowings from— Others	Other liabilities etc.[8]	Reserves for— Loans	Reserves for— Securities	Total capital accounts	Memoranda: Total loans (gross) adjusted[9]	Memoranda: Total loans and investments (gross) adjusted[9]	Memoranda: Demand deposits adjusted[10]	Memoranda: Large negotiable time CD's included in time and savings deposits[11] — Total	Large negotiable time CD's — Issued to IPC's	Large negotiable time CD's — Issued to others	Memoranda: Gross liabilities of banks to their foreign branches
Large banks—Total														
1970														
May 6	20,414	340	2,539	25,161	4,036	75	23,823	169,193	229,923	77,950	12,966	5,938	7,028	11,954
13	20,503	709	2,396	25,089	4,036	74	23,800	168,078	228,446	78,140	12,960	5,974	6,986	11,653
20	17,635	283	2,390	25,560	4,036	74	23,751	167,741	228,229	76,547	13,068	5,966	7,102	11,998
27	17,530	675	2,253	25,536	4,036	75	23,814	167,653	228,086	78,278	12,984	5,982	7,002	12,346
1971														
Apr. 7	21,853	168	1,038	18,179	4,054	81	25,431	179,080	255,956	84,243	27,304	17,483	9,821	3,260
14	23,648	212	1,047	17,171	4,047	82	25,363	178,673	256,070	85,288	27,237	17,434	9,803	2,317
21	23,428	78	1,004	16,346	4,044	82	25,299	177,744	255,453	82,333	26,741	16,711	10,030	2,253
28	20,111	694	912	16,532	4,045	83	25,350	177,205	252,883	82,276	27,219	17,096	10,123	2,158
May 5p	22,448	748	985	16,459	4,048	85	25,557	177,968	254,272	82,287	27,127	17,017	10,110	2,004
12p	23,559	15	1,049	15,768	4,032	86	25,555	179,704	255,325	82,080	27,185	17,098	10,087	1,598
19p	22,382	920	981	16,170	4,030	85	25,474	179,335	253,574	81,777	27,606	17,264	10,342	1,620
26p	18,734	1,246	983	16,021	4,021	84	25,482	178,667	253,100	83,697	28,137	17,441	10,696	1,572
New York City														
1970														
May 6	5,850	50	308	13,226	1,208	1	6,103	41,415	52,714	15,642	2,966	878	2,088	7,786
13	5,563	....	308	12,978	1,208	1	6,096	40,658	51,781	15,800	2,863	866	1,997	7,528
20	4,972	....	337	13,119	1,210	1	6,080	40,673	51,926	15,298	2,901	840	2,061	7,582
27	4,947	14	322	13,596	1,211	1	6,070	40,653	52,008	16,073	2,842	858	1,984	7,985
1971														
Apr. 7	6,747	....	69	8,005	1,196	1	6,507	43,235	57,189	16,004	8,867	6,409	2,458	1,867
14	7,292	120	65	7,476	1,196	1	6,482	43,084	56,851	15,867	9,103	6,613	2,490	1,184
21	7,414	....	63	7,008	1,198	1	6,465	42,521	56,530	15,018	8,920	6,263	2,657	1,236
28	5,542	295	57	7,272	1,200	2	6,436	41,841	55,170	14,967	9,334	6,623	2,711	1,409
May 5p	6,180	319	57	6,872	1,204	3	6,510	42,207	55,754	16,036	9,309	6,628	2,681	1,180
12p	7,370	....	55	6,409	1,189	3	6,519	43,254	56,482	15,175	9,280	6,659	2,621	911
19p	6,484	620	51	6,647	1,190	2	6,510	42,943	55,520	15,533	9,435	6,646	2,789	1,028
26p	5,015	672	51	6,596	1,195	2	6,488	42,312	54,880	16,743	9,719	6,730	2,989	993
Outside New York City														
1970														
May 6	14,564	290	2,231	11,935	2,828	74	17,720	127,778	177,209	62,308	10,000	5,060	4,940	4,168
13	14,940	709	2,088	12,111	2,828	73	17,704	127,420	176,665	62,340	10,097	5,108	4,989	4,125
20	12,663	283	2,053	12,441	2,826	73	17,671	127,068	176,303	61,249	10,167	5,126	5,041	4,416
27	12,583	661	1,931	11,940	2,825	74	17,744	127,000	176,078	62,205	10,142	5,124	5,018	4,361
1971														
Apr. 7	15,106	168	969	10,174	2,858	80	18,924	135,845	198,767	68,239	18,437	11,074	7,363	1,393
14	16,356	92	982	9,695	2,851	81	18,881	135,589	199,219	69,421	18,134	10,821	7,313	1,133
21	16,014	78	941	9,338	2,846	81	18,834	135,223	198,923	67,315	17,821	10,448	7,373	1,017
28	14,569	399	855	9,260	2,845	81	18,914	135,364	197,713	67,309	17,885	10,473	7,412	749
May 5p	16,268	429	928	9,587	2,844	82	19,047	135,761	198,518	66,251	17,818	10,389	7,429	824
12p	16,189	15	994	9,359	2,843	83	19,036	136,450	198,843	66,905	17,905	10,439	7,466	687
19p	15,898	300	930	9,523	2,840	83	18,964	136,392	198,054	66,244	18,171	10,618	7,553	592
26p	13,719	574	932	9,425	2,826	82	18,994	136,355	198,220	66,954	18,418	10,711	7,707	579

1 Includes securities purchased under agreements to resell.
2 Includes official institutions and so forth.
3 Includes short-term notes and bills.
4 Federal agencies only.
5 Includes corporate stock.
6 Includes U.S. Govt. and foreign bank deposits, not shown separately.
7 Includes securities sold under agreements to repurchase.
8 Includes minority interest in consolidated subsidiaries.
9 Exclusive of loans and Federal funds transactions with domestic commercial banks.
10 All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.
11 Certificates of deposit issued in denominations of $100,000 or more.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1971					1971			1971	1970		1970	
	May 26	May 19	May 12	May 5	Apr. 28 r	May	Apr. r	Mar.	I	IV	III	2nd half	1st half
Durable goods manufacturing:													
Primary metals	2,321	2,311	2,297	2,316	2,318	3	3	141	169	−169	149	−20	81
Machinery	5,304	5,359	5,390	5,307	5,295	9	113	−168	−247	−595	−173	−768	271
Transportation equipment	2,627	2,616	2,633	2,625	2,632	−5	−205	41	−92	−69	238	169	127
Other fabricated metal products	2,022	2,025	2,026	2,014	2,020	2	44	69	68	−269	−75	−344	249
Other durable goods	2,741	2,747	2,766	2,740	2,703	38	....	90	149	−249	51	−198	237
Nondurable goods manufacturing:													
Food, liquor, and tobacco	2,324	2,391	2,350	2,402	2,501	−177	−66	−76	−537	549	−199	350	−499
Textiles, apparel, and leather	2,478	2,498	2,517	2,499	2,448	30	36	82	166	−522	127	−395	376
Petroleum refining	1,181	1,182	1,189	1,148	1,183	−2	....	−197	−343	−105	−8	−113	−79
Chemicals and rubber	2,769	2,830	2,873	2,838	2,826	−57	14	31	32	−22	85	63	−128
Other nondurable goods	1,857	1,854	1,869	1,837	1,850	7	−43	4	−105	−214	101	−113	27
Mining, including crude petroleum and natural gas	3,821	3,800	3,789	3,810	3,821	....	−74	−88	−108	−181	−76	−257	−577
Trade: Commodity dealers	1,134	1,159	1,159	1,132	1,199	−65	−123	5	−57	375	106	481	−292
Other wholesale	3,872	3,913	3,910	3,843	3,772	100	61	81	10	26	52	78	54
Retail	4,402	4,424	4,275	4,394	4,264	138	57	135	162	−201	−107	−308	173
Transportation	6,076	6,036	6,000	6,024	6,076	....	−210	141	286	119	247	366	−96
Communication	1,443	1,465	1,430	1,358	1,424	19	67	−59	49	46	−27	19	−250
Other public utilities	1,966	1,958	1,985	2,037	2,000	−34	−21	−365	−327	−240	−146	−386	−831
Construction	3,770	3,754	3,719	3,716	3,653	117	70	117	r131	146	51	197	66
Services	7,387	7,415	7,400	7,481	7,439	−52	241	−35	−200	300	225	525	−147
All other domestic loans	4,807	4,903	4,906	4,860	4,812	−5	66	79	−180	−52	148	96	−115
Bankers' acceptances	1,355	1,413	1,488	1,502	1,454	−99	−73	−110	−164	945	241	1,186	−203
Foreign commercial and industrial loans	2,703	2,665	2,681	2,480	2,535	168	14	145	140	198	57	255	−84
Total classified loans	68,360	68,718	68,652	68,363	68,225	135	−129	63	−998	−184	1,068	884	−1,640
Total commercial and industrial loans	81,595	81,912	81,785	81,467	81,191	404	−10	424	r−473	372	1,607	1,979	−1,940

See NOTE to table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding									Net change during—				
	1971					1970				1971	1970			1970
	May 26	Apr. 28	Mar. 31	Feb. 24	Jan. 27	Dec. 30	Nov. 25	Oct. 28	Sept. 30	I	IV	III	II	2nd half
Durable goods manufacturing:														
Primary metals	1,668	1,622	1,630	1,564	1,544	1,527	1,535	1,548	1,677	103	−150	157	68	7
Machinery	2,595	2,735	2,591	2,634	2,666	2,681	2,690	2,826	2,924	−90	−243	140	−16	−103
Transportation equipment	1,442	1,515	1,613	1,633	1,647	1,633	1,621	1,627	1,655	−20	−22	91	−11	69
Other fabricated metal products	804	769	733	747	750	742	801	781	807	−9	−65	45	3	−20
Other durable goods	1,201	1,191	1,216	1,222	1,107	1,089	1,131	1,136	1,141	127	−52	9	−30	−43
Nondurable goods manufacturing:														
Food, liquor, and tobacco	919	982	974	971	949	985	932	984	1,008	−11	−23	1	47	−22
Textiles, apparel, and leather	609	592	617	659	674	657	703	720	751	−40	−94	−11	36	−105
Petroleum refining	921	932	915	1,142	1,191	1,213	1,220	1,230	1,248	−298	−35	−18	11	−53
Chemicals and rubber	1,728	1,822	1,850	1,834	1,800	1,849	1,738	1,693	1,780	1	69	71	−96	140
Other nondurable goods	1,058	1,062	1,100	1,116	1,116	1,171	1,159	1,171	1,183	−71	−12	112	−75	100
Mining, including crude petroleum and natural gas	3,058	3,089	3,123	3,270	3,354	3,326	3,329	3,419	3,461	−203	−135	−121	−127	−256
Trade: Commodity dealers	87	81	80	79	79	79	83	73	82	1	−3	−6	10	−9
Other wholesale	810	813	782	754	783	756	739	727	697	26	59	5	−4	64
Retail	1,425	1,404	1,417	1,459	1,450	1,399	1,371	1,351	1,360	18	39	52	102	91
Transportation	4,689	4,757	4,867	4,763	4,731	4,564	4,453	4,443	4,417	303	147	141	−55	288
Communication	439	426	402	398	398	415	415	386	448	−13	−33	40	−68	7
Other public utilities	1,038	991	973	1,056	1,029	1,018	1,022	1,017	1,065	−45	−47	32	−128	−15
Construction	1,177	1,164	1,107	1,063	1,048	1,044	1,005	972	957	63	−87	46	8	189
Services	3,197	3,249	3,142	3,154	3,186	3,209	3,208	3,069	3,132	−67	77	115	22	192
All other domestic loans	1,353	1,223	1,268	1,319	r1,346	1,285	1,716	1,241	1,225	−17	60	−2	15	56
Foreign commercial and industrial loans	1,788	1,840	1,792	1,716	1,723	1,716	1,283	1,612	1,604	76	112	−16	21	96
Total loans	32,006	32,259	32,192	32,553	r32,571	32,358	32,205	32,026	32,622	−166	−264	883	−267	619

NOTE.—About 160 weekly reporting banks are included in this series; these banks classify, by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.

For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 BULLETIN, p. 209.

Commercial and industrial "term" loans are all outstanding loans with an original maturity of more than 1 year and all outstanding loans granted under a formal agreement—revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To own subsidiaries, foreign branches, holding companies, and other affiliates			To all others except banks		
	Total	By type of loan: Commercial and industrial	By type of loan: All other	Total	By type of loan: Commercial and industrial	By type of loan: All other
Feb. 3	2,725	1,817	908	1,914	435	1,479
10	2,704	1,816	888	1,909	429	1,480
17	2,608	1,777	831	1,883	423	1,460
24	2,622	1,807	815	1,872	411	1,461
Mar. 3	2,610	1,713	897	1,875	412	1,463
10	2,562	1,701	861	1,885	417	1,468
17	2,472	1,636	836	1,868	421	1,447
24	2,416	1,614	802	1,872	415	r1,457
31	2,560	1,556	1,004	1,866	415	r1,451
Apr. 7	2,375	1,472	903	1,855	421	1,434
14	2,286	1,403	883	1,854	420	1,434
21	2,320	1,469	851	1,877	424	1,453
28	2,409	1,560	849	r1,873	417	r1,456
May 5	2,574	1,619	955	1,892	417	1,475
12	2,525	1,607	918	1,894	420	1,474
19	2,520	1,626	894	1,890	410	1,480
26	2,528	1,627	901	1,911	413	1,498

NOTE.—Amounts sold under repurchase agreement are excluded. Figures include small amounts sold by banks other than large weekly reporting banks.

RATES ON SHORT-TERM BUSINESS LOANS OF BANKS

Interest rate (per cent per annum)	All sizes		Size of loan (in thousands of dollars): 1–9		10–99		100–499		500–999		1,000 and over	
	Nov. 1970	Aug. 1970	Nov. 1970	Aug. 1970	Nov. 1970	Aug. 1970	Nov. 1970	Aug. 1970	Nov. 1970	Aug. 1970	Nov. 1970	Aug. 1970
	Percentage distribution of dollar amount											
Less than 7.50	9.7	.8	4.7	3.7	2.3	1.4	3.5	1.0	6.7	.5	13.6	.7
7.50	35.1	.3	4.3	.7	5.9	.5	17.8	.5	27.5	....	47.3	.2
7.51–7.99	16.6	.3	4.2	1.0	7.0	.6	18.0	.2	22.7	.1	16.4	.4
8.00	8.9	41.9	10.7	8.7	11.0	8.2	11.5	19.5	11.3	36.5	7.2	57.3
8.01–8.49	6.8	20.1	7.3	6.0	11.3	8.8	10.8	19.2	7.6	25.0	4.7	21.4
8.50	5.8	7.9	8.0	6.3	10.8	11.0	8.0	11.6	6.6	10.0	4.1	5.6
8.51–8.99	3.7	7.3	9.7	8.0	10.1	13.4	7.8	12.7	2.2	6.8	1.7	4.4
9.00	3.6	6.2	11.6	14.0	9.8	13.4	6.4	9.4	4.3	6.7	1.4	3.7
9.01–9.49	1.9	4.2	10.1	12.9	7.3	11.7	3.2	7.7	2.3	4.1	.5	1.6
9.50	2.5	3.4	7.9	11.2	7.4	9.3	4.1	5.7	2.0	3.9	1.2	1.3
Over 9.50	5.4	7.4	21.6	27.3	17.1	21.6	8.9	12.4	6.9	6.3	1.9	3.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total loans:												
Dollars (millions)	4,208.6	4,193.4	39.6	38.7	378.4	402.6	777.0	815.1	566.3	574.3	2,447.3	2,362.7
Number (thousands)	27.8	28.6	9.9	9.7	12.0	12.7	4.0	4.2	.9	.9	1.0	1.1
Center	Weighted average rates (per cent per annum)											
35 centers	8.07	8.50	8.89	9.15	8.79	9.07	8.34	8.75	8.09	8.46	7.74	8.25
New York City	7.74	8.24	8.67	9.07	8.60	8.95	8.12	8.59	7.83	8.24	7.59	8.12
7 other Northeast	8.47	8.89	9.00	9.41	9.09	9.42	8.60	9.01	8.30	8.68	7.99	8.49
8 North Central	8.05	8.47	8.71	8.90	8.72	8.99	8.36	8.79	8.26	8.46	7.78	8.27
7 Southeast	8.15	8.49	8.72	8.76	8.64	8.79	8.16	8.54	7.95	8.45	7.78	8.15
8 Southwest	8.08	8.53	8.85	9.08	8.53	8.84	8.26	8.59	7.99	8.48	7.69	8.33
4 West Coast	8.16	8.54	9.41	9.51	8.99	9.19	8.38	8.81	8.12	8.61	7.90	8.28

NOTE.—Beginning Feb. 1971 the Quarterly Survey of Interest Rates on Business Loans was revised. For description of revised series see pp. 468–77 of this BULLETIN.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

In effect during—	Rate	Effective date	Rate	Effective date	Rate	Effective date	Rate
1929	5½–6	1951—Jan. 8	2½	1959—May 18	4½	1969—Jan. 7	7
1930	3½–6	Oct. 17	2¾	Sept. 1	5	Mar. 17	7½
1931	2¾–5	Dec. 19	3	1960—Aug. 23	4½	June 9	8½
1932	3¼–4	1953—Apr. 27	3¼	1965—Dec. 6	5	1970—Mar. 25	8
1933	1½–4	1954—Mar. 17	3	1966—Mar. 10	5½	Sept. 21	7½
1934—1947 (Nov.)	1½	1955—Aug. 4	3¼	June 29	5¾	Nov. 12	7¼
Effective date		Oct. 14	3½	Aug. 16	6	Nov. 23	7
1947—Dec.[1]	1¾	1956—Apr. 13	3¾	1967—Jan. 26-27	5½–5¾	Dec. 22	6¾
1948—Aug.[1]	2	Aug. 21	4	Mar. 27	5½	1971—Jan. 6	6½
1950—Sept. 22	2¼	1957—Aug. 6	4½	Nov. 20	6	Jan. 15	6¼
		1958—Jan. 22	4	1968—Apr. 19	6½	Jan. 18	6
		Apr. 21	3½	Sept. 25	6–6¼	Feb. 16	5¾
		Sept. 11	4	Nov. 13	6¼	Mar. 11	5¼–5½
				Dec. 2	6½	Mar. 19	5¼
				Dec. 18	6¾	Apr. 23	5¼–5½
						May 11	5½

[1] Date of change not available.

MONEY MARKET RATES

(Per cent per annum)

Period	Prime coml. paper 4- to 6-months[1]	Finance co. paper placed directly, 3- to 6-months[2]	Prime bankers' accept-ances, 90 days[1]	Federal funds rate[3]	U.S. Government securities (taxable)[4]: 3-month bills[5]: Rate on new issue	3-month bills[5]: Market yield	6-month bills[5]: Rate on new issue	6-month bills[5]: Market yield	9- to 12-month issues: Bills (market yield)[5]	9- to 12-month issues: Other[6]	3- to 5-year issues[7]
1963	3.55	3.40	3.36	3.18	3.157	3.16	3.253	3.25	3.30	3.28	3.72
1964	3.97	3.83	3.77	3.50	3.549	3.54	3.686	3.68	3.74	3.76	4.06
1965	4.38	4.27	4.22	4.07	3.954	3.95	4.055	4.05	4.06	4.09	4.22
1966	5.55	5.42	5.36	5.11	4.881	4.85	5.082	5.06	5.07	5.17	5.16
1967	5.10	4.89	4.75	4.22	4.321	4.30	4.630	4.61	4.71	4.84	5.07
1968	5.90	5.69	5.75	5.66	5.339	5.33	5.470	5.48	5.45	5.62	5.59
1969	7.83	7.16	7.61	8.22	6.677	6.64	6.853	6.84	6.77	7.06	6.85
1970	7.72	7.23	7.31	7.17	6.458	6.42	6.562	6.55	6.53	6.90	7.37
1970—May	8.23	7.43	8.02	7.94	7.035	6.83	7.262	7.02	7.12	7.69	7.97
June	8.21	7.55	7.78	7.60	6.742	6.67	6.907	6.86	7.07	7.50	7.86
July	8.29	7.64	7.61	7.21	6.468	6.45	6.555	6.51	6.63	7.00	7.58
Aug.	7.90	7.48	7.20	6.61	6.412	6.41	6.526	6.56	6.55	6.92	7.56
Sept.	7.32	7.12	7.03	6.29	6.244	6.12	6.450	6.47	6.40	6.68	7.24
Oct.	6.85	6.76	6.54	6.20	5.927	5.90	6.251	6.21	6.23	6.34	7.06
Nov.	6.30	6.16	5.79	5.60	5.288	5.28	5.422	5.42	5.39	5.52	6.37
Dec.	5.73	5.48	5.32	4.90	4.860	4.87	4.848	4.89	4.87	4.94	5.86
1971—Jan.	5.11	5.07	4.77	4.14	4.494	4.44	4.510	4.47	4.39	4.29	5.72
Feb.	4.47	4.37	4.09	3.72	3.773	3.69	3.806	3.78	3.84	3.80	5.31
Mar.	4.19	4.05	3.80	3.71	3.323	3.38	3.431	3.50	3.61	3.66	4.74
Apr.	4.57	4.27	4.36	4.15	3.780	3.85	3.927	4.03	4.09	4.21	5.42
May	5.10	4.69	4.91	4.63	4.139	4.13	4.367	4.34	4.64	4.93	6.02
Week ending—											
1971—Feb. 6	4.63	4.63	4.35	4.09	4.110	4.06	4.114	4.11	4.11	4.03	5.49
13	4.63	4.53	4.13	3.59	3.845	3.71	3.839	3.75	3.80	3.82	5.33
20	4.38	4.31	4.03	4.14	3.640	3.56	3.679	3.65	3.72	3.70	5.24
27	4.25	4.03	3.85	3.46	3.497	3.43	3.590	3.57	3.68	3.64	5.15
Mar. 6	4.25	3.88	3.75	3.41	3.347	3.35	3.467	3.44	3.64	3.69	5.07
13	4.25	4.08	3.70	3.29	3.307	3.28	3.359	3.39	3.52	3.56	4.75
20	4.20	4.13	3.83	3.93	3.307	3.39	3.416	3.51	3.57	3.59	4.55
27	4.05	4.13	3.80	3.70	3.331	3.37	3.481	3.54	3.63	3.68	4.56
Apr. 3	4.23	4.08	4.00	4.02	3.521	3.61	3.695	3.72	3.70	3.89	4.85
10	4.28	4.13	4.13	3.98	3.703	3.78	3.754	3.85	3.79	4.02	5.08
17	4.58	4.28	4.38	4.20	4.039	3.96	4.140	4.09	4.10	4.16	5.37
24	4.70	4.34	4.45	4.27	3.770	3.81	3.960	4.02	4.14	4.19	5.59
May 1	4.80	4.39	4.60	4.14	3.865	3.93	4.087	4.22	4.44	4.53	5.77
8	5.00	4.50	4.83	4.41	3.865	3.84	4.182	4.20	4.46	4.69	5.92
15	5.00	4.51	4.88	4.59	3.861	3.96	4.178	4.23	4.58	4.75	5.98
22	5.15	4.79	4.95	4.55	4.352	4.36	4.530	4.49	4.79	5.20	6.20
29	5.25	4.98	5.00	4.68	4.478	4.38	4.578	4.46	4.73	5.08	5.97

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

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds				Corporate bonds						Stocks		
	United States (long-term)	State and local			Total[1]	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total[1]	Aaa	Baa		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
1962	3.95	3.30	3.03	3.67	4.62	4.33	5.02	4.47	4.86	4.51	4.50	3.37	6.06
1963	4.00	3.28	3.06	3.58	4.50	4.26	4.86	4.42	4.65	4.41	4.30	3.17	5.68
1964	4.15	3.28	3.09	3.54	4.57	4.40	4.83	4.52	4.67	4.53	4.32	3.01	5.54
1965	4.21	3.34	3.16	3.57	4.64	4.49	4.87	4.61	4.72	4.60	4.33	3.00	5.87
1966	4.66	3.90	3.67	4.21	5.34	5.13	5.67	5.30	5.37	5.36	4.97	3.40	6.72
1967	4.85	3.99	3.74	4.30	5.82	5.51	6.23	5.74	5.89	5.81	5.34	3.20	5.71
1968	5.25	4.48	4.20	4.88	6.51	6.18	6.94	6.41	6.77	6.49	5.78	3.07	5.84
1969	6.10	5.73	5.45	6.07	7.36	7.03	7.81	7.22	7.46	7.49	6.41	3.24	6.05
1970	6.59	6.42	6.12	6.75	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.28
1970—May	6.94	7.00	6.70	7.33	8.46	8.11	8.98	8.19	8.59	8.72	7.26	4.20	....
June	6.99	7.12	6.81	7.41	8.77	8.48	9.25	8.55	8.76	9.06	7.57	4.17	7.50
July	6.57	6.68	6.40	7.02	8.85	8.44	9.40	8.61	9.11	9.01	7.62	4.20	....
Aug.	6.75	6.27	5.96	6.65	8.73	8.13	9.44	8.44	9.19	8.83	7.41	4.07	....
Sept.	6.63	6.18	5.90	6.49	8.68	8.09	9.39	8.40	9.10	8.80	7.31	3.82	6.34
Oct.	6.59	6.41	6.07	6.74	8.63	8.03	9.33	8.35	9.06	8.74	7.33	3.74	....
Nov.	6.24	6.04	5.79	6.33	8.65	8.05	9.38	8.37	9.06	8.77	7.30	3.72	....
Dec.	5.97	5.49	5.21	5.80	8.35	7.64	9.12	7.95	8.96	8.45	6.88	3.46	5.48
1971—Jan.	5.91	5.34	5.08	5.65	8.04	7.36	8.74	8.57	8.70	8.17	6.53	3.32	....
Feb.	5.84	5.28	4.92	5.73	7.75	7.08	8.39	7.24	8.39	7.94	6.32	3.18	....
Mar.	5.71	5.26	5.00	5.56	7.84	7.21	8.46	7.36	8.39	8.08	6.48	3.10	....
Apr.	5.75	5.49	5.22	5.85	7.86	7.25	8.45	7.43	8.37	8.05	6.59	2.99	....
May	5.96	5.99	5.71	6.36	8.03	7.53	8.62	7.68	8.40	8.23	6.82	3.04	....
Week ending—													
1971—Mar. 6	5.94	5.46	5.15	5.85	7.78	7.13	8.40	7.27	8.37	8.00	6.43	3.18	....
13	5.77	5.24	4.95	5.60	7.84	7.20	8.47	7.32	8.40	8.11	6.53	3.11	....
20	5.65	5.14	4.90	5.40	7.88	7.26	8.50	7.38	8.40	8.13	6.44	3.05	....
27	5.54	5.18	5.00	5.40	7.86	7.25	8.47	7.42	8.38	8.07	6.46	3.10	....
Apr. 3	5.64	5.24	5.00	5.60	7.85	7.22	8.46	7.42	8.38	8.03	6.53	3.07	....
10	5.66	5.33	5.10	5.70	7.84	7.23	8.45	7.42	8.35	8.02	6.54	3.02	....
17	5.73	5.45	5.20	5.80	7.85	7.24	8.45	7.42	8.38	8.03	6.54	2.98	....
24	5.82	5.61	5.30	6.00	7.86	7.24	8.42	7.43	8.37	8.05	6.62	2.99	....
May 1	5.81	5.80	5.50	6.15	7.89	7.30	8.47	7.46	8.38	8.10	6.64	2.95	....
8	5.92	5.96	5.65	6.25	7.95	7.43	8.52	7.57	8.37	8.14	6.69	2.98	....
15	5.96	6.08	5.80	6.40	7.99	7.48	8.59	7.64	8.38	8.17	6.74	3.01	....
22	6.04	6.00	5.70	6.40	8.08	7.57	8.69	7.75	8.44	8.28	6.82	3.06	....
29	5.90	6.00	5.70	6.40	8.12	7.66	8.66	7.77	8.43	8.35	7.03	3.11	....
Number of issues[2]	7	20	5	5	119	20	30	40	29	40	14	500	500

[1] Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, Aaa-rated railroad bonds are no longer a component of the railroad average or the Aaa composite series.

[2] Number of issues varies over time; figures shown reflect most recent count.

NOTE.—Annual yields are averages of monthly or quarterly data.

Bonds: Monthly and weekly yields are computed as follows: (1) *U.S. Govt.*: Averages of daily figures for bonds maturing or callable in 10 years or more. (2) *State and local govt.*: General obligations only, based on Thurs. figures. (3) *Corporate*: Averages of daily figures. (2) and (3) are from Moody's Investors Service series.

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

SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices										Volume of trading in stocks (thousands of shares)	
				New York Stock Exchange									American Stock Exchange total index[1]		
				Standard and Poor's index (1941–43=10)				New York Stock Exchange index (Dec. 31, 1965=50)							
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance		NYSE	AMEX
1967	76.55	100.5	81.8	91.93	99.18	46.72	68.10	50.77	51.97	53.51	45.43	49.82	19.67	10,143	4,508
1968	72.33	93.5	76.4	98.70	107.49	48.84	66.42	55.37	58.00	50.58	44.19	65.85	27.72	12,971	6,353
1969	64.49	79.0	68.5	97.84	106.30	45.95	62.64	54.67	57.45	46.96	42.80	70.49	28.73	11,403	5,001
1970	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64	22.59	10,532	3,376
1970—May	57.78	67.8	61.2	76.06	83.16	31.10	51.15	41.65	43.33	29.85	35.48	54.58	20.92	12,299	3,908
June	57.37	67.5	59.5	75.59	82.96	28.94	49.22	41.28	43.40	28.51	33.74	54.21	20.81	10,294	3,189
July	60.59	70.6	59.0	75.72	83.00	26.59	50.91	41.15	43.04	26.46	34.90	54.00	20.11	10,358	2,202
Aug.	59.20	73.8	60.0	77.92	85.40	26.74	52.62	42.28	44.20	27.66	35.74	56.05	20.39	10,420	2,474
Sept.	60.10	72.3	60.8	82.58	90.66	29.14	54.44	45.10	47.43	30.43	36.74	60.13	21.72	14,423	4,438
Oct.	60.44	71.9	61.3	84.37	92.85	31.73	53.37	46.06	48.87	32.38	36.01	59.04	22.39	11,887	3,135
Nov.	63.27	75.1	61.9	84.28	92.58	30.80	54.86	45.84	48.54	31.23	36.71	57.40	21.73	11,519	2,677
Dec.	65.63	79.8	64.7	90.05	98.72	32.95	59.96	49.00	51.68	33.70	39.93	61.95	22.19	15,241	4,330
1971—Jan.	66.10	79.9	66.5	93.49	102.22	36.64	63.43	51.29	53.72	37.76	42.52	66.41	23.56	17,429	4,493
Feb.	66.78	81.5	66.8	97.11	106.62	38.78	62.49	53.42	56.45	40.37	42.30	68.19	25.02	19,540	6,054
Mar.	67.94	82.8	65.8	99.60	109.59	39.70	62.42	54.89	58.43	41.71	41.60	70.66	25.88	16,955	5,570
Apr.	67.57	80.4	65.1	103.04	113.68	42.29	62.06	56.81	60.65	45.35	41.73	73.91	26.43	19,126	5,685
May	65.72	75.6	63.7	101.64	112.41	42.05	59.20	56.00	60.21	45.48	39.70	70.89	26.03	15,157	4,157
Week ending—															
1971—May 1	67.06	77.8	65.2	104.34	115.35	43.65	60.85	57.51	61.65	47.50	40.97	74.55	26.59	20,556	6,282
8	66.05	76.4	64.3	103.39	114.36	43.02	60.08	56.98	61.19	46.57	40.51	72.60	26.39	17,297	4,734
15	65.70	75.3	63.9	102.56	113.39	42.53	59.93	56.52	60.73	46.09	40.15	71.66	26.18	15,960	4,172
22	64.97	75.3	63.2	100.98	111.68	41.53	58.79	55.61	59.82	44.86	39.42	70.12	25.87	14,158	4,051
29	66.18	75.6	63.5	99.64	110.20	41.12	57.99	54.89	59.10	44.40	38.71	69.12	25.68	13,213	3,672

[1] Begins June 30, 1965, at 10.90. On that day the average price of a share of stock listed on the American Stock Exchange was $10.90.

NOTE.—Annual data are averages of monthly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: *U.S. Govt. bonds*, derived from average market yields in table on preceding page on basis of an assumed 3 per cent, 20-year bond. *Municipal and corporate bonds*, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. *Common stocks*, derived from component common stock prices. *Average daily volume of trading*, normally conducted 5 days per week for 5½ hours per day, or 27½ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours: 1967—Aug. 8–20, 20; 1968—Jan. 22–Mar. 1, 20; June 30–Dec. 31, 22; 1969—Jan. 3–July 3, 20; July 7–Dec. 31–22.5; 1970—Jan. 2–May 1, 25.

TERMS ON CONVENTIONAL FIRST MORTGAGES

Period	New homes						Existing homes					
	Contract rate (per cent)	Fees & charges (per cent)[1]	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	Contract rate (per cent)	Fees & charges (per cent)[1]	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)
1964	5.78	.57	24.8	74.1	23.7	17.3	5.92	.55	20.0	71.3	18.9	13.4
1965	5.74	.49	25.0	73.9	25.1	18.3	5.87	.55	21.8	72.7	21.6	15.6
1966	6.14	.71	24.7	73.0	26.6	19.2	6.30	.72	21.7	72.0	22.2	15.9
1967	6.33	.81	25.2	73.6	28.0	20.4	6.40	.76	22.5	72.7	24.1	17.4
1968	6.83	.89	25.5	73.9	30.7	22.4	6.90	.83	22.7	73.0	25.6	18.5
1969	7.66	.91	25.5	72.8	34.1	24.5	7.68	.88	22.7	71.5	28.3	19.9
1970—Apr.	8.24	1.02	24.8	71.3	34.9	24.5	8.19	.90	22.7	70.2	29.6	20.4
May	8.28	.98	25.3	71.7	35.8	25.3	8.18	.94	22.8	70.3	30.5	21.1
June	8.31	.99	25.1	71.3	36.3	25.6	8.19	.98	23.0	71.5	30.5	21.5
July	8.32	1.01	25.1	71.5	35.3	24.9	8.21	.95	23.1	71.5	31.0	21.7
Aug.	8.35	.98	24.8	71.6	35.7	25.5	8.25	.89	23.1	71.7	30.4	21.4
Sept.	8.31	1.03	25.2	72.7	35.3	25.3	8.27	.88	22.8	71.7	29.7	21.0
Oct.	8.33	1.05	25.1	72.4	34.6	24.8	8.20	.88	22.8	71.5	29.0	20.5
Nov.	8.26	.99	25.3	72.1	35.8	25.2	8.18	.85	22.8	71.5	29.9	21.1
Dec.	8.20	1.07	25.8	73.8	35.3	25.8	8.12	.85	23.3	71.9	30.7	21.7
1971—Jan.	8.03	.92	25.8	73.3	36.2	26.4	7.94	.82	23.5	72.5	30.7	22.0
Feb.	7.74	1.00	26.2	73.9	37.0	26.2	7.67	.79	24.0	73.1	31.1	22.5
Mar.ʳ	7.52	.83	25.9	73.7	35.9	26.0	7.47	.77	24.1	73.5	31.7	23.0
Apr.	7.36	.74	26.4	73.7	36.5	26.5	7.35	.74	24.1	73.5	31.7	23.0

[1] Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, which provide added income to the lender and are paid by the borrower. They exclude any closing costs related solely to transfer of property ownership.

NOTE.—Compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes. Data exclude loans for refinancing, reconditioning, or modernization; construction loans to homebuilders; and permanent loans that are coupled with construction loans to owner-builders. Series beginning 1965, not strictly comparable with earlier data. See also the table on Home-Mortgage Yields, p. A-53.

STOCK MARKET CREDIT

(In millions of dollars)

End of period	Credit extended to margin customers by— Brokers[1]	Banks[2]	Total	Customers' net debit balances	Customers' net free credit balances	Net credit extended by brokers
1970—Apr.	4,360	2,330	6,690	5,985	2,248	3,724
May	4,160	2,290	6,450	5,433	2,222	3,211
June	[3] {4,150 / 3,860}	2,290	6,150	5,281	2,009	3,272
July	3,800	2,290	6,090	(4)	[5]2,180	(4)
Aug.	3,810	2,300	6,110	(4)	2,083	(4)
Sept.	3,920	2,330	6,250	(4)	2,236	(4)
Oct.	4,010	2,270	6,280	(4)	2,163	(4)
Nov.	4,010	2,320	6,332	(4)	2,197	(4)
Dec.	4,030	2,330	6,360	(4)	2,286	(4)
1971—Jan.	4,000	2,300	6,300	(4)	2,452	(4)
Feb.	4,090	2,330	6,420	(4)	2,743	(4)
Mar.	4,300	2,360	6,660	(4)	2,798	(4)
Apr.	4,530	2,340	6,870	(4)	2,660	(4)

[1] End-of-month data. Total amount of credit extended by member firms of the N.Y. Stock Exchange in margin accounts, excluding credit extended on convertible bonds and other debt instruments and in special subscription accounts.

[2] Figures are for last Wed. of month for large commercial banks reporting weekly and represent loans made to others than brokers or dealers for the purpose of purchasing or carrying securities. Excludes loans collateralized by obligations of the U.S. Govt.

[3] Change in series. From Jan. 1966 to June 1970 the total of broker-extended margin credit was estimated by expanding the total of such credit extended by a small sample of N.Y. Stock Exchange member firms according to the proportion of total Customers' net debit balances extended by these firms. Beginning with June 30, 1970, total broker-extended margin credit is derived from reports by the majority of N.Y. Stock Exchange member firms that carry margin accounts for customers; these firms, as a group, account for nearly all such credit extended by members of that exchange.

[4] Series discontinued.

[5] Change in series.

NOTE.—Customers' net debit and free credit balances are end-of-month ledger balances as reported to the New York Stock Exchange by all member firms that carry margin accounts. They exclude balances carried for other member firms of national securities exchanges as well as balances of the reporting firm and of its general partners. Net debit balances are total debt owed by those customers whose combined accounts net to a debit. Free credit balances are in accounts of customers with no unfulfilled commitments to the broker and are subject to withdrawal on demand. Net credit extended by brokers is the difference between customers' net debit and free credit balances since the latter are available for the brokers' use until withdrawn.

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars)[1]	Equity class (per cent) 80 or more	70–79	60–69	50–59	40–49	Under 40
1970—Apr.	4,360	11.8	18.1	14.5	13.8	11.6	30.2
May	4,160	9.6	15.8	18.3	14.2	13.5	28.6
June	3,860	8.3	12.4	18.8	15.7	13.5	31.4
July	3,800	8.1	15.1	21.1	16.0	13.8	25.8
Aug.	3,810	10.7	15.1	22.9	16.6	13.6	21.1
Sept.	3,920	11.4	18.3	24.4	16.7	13.1	16.0
Oct.	4,010	9.9	15.2	25.5	16.9	14.3	18.2
Nov.	4,010	10.4	14.8	26.1	17.5	14.1	17.2
Dec.	4,030	11.0	16.1	27.1	16.8	13.5	15.5
1971—Jan.	4,000	12.1	19.6	28.3	17.1	10.0	12.8
Feb.	4,090	11.4	19.5	31.1	16.3	9.3	12.3
Mar.	4,300	11.8	20.0	33.0	16.2	7.2	11.8
Apr.	4,530	11.8	20.3	35.0	15.0	6.2	11.7

[1] See note 1 to table above.

NOTE.—Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

REGULATORY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total adjusted debt, except as noted)

End of period	Adjusted debt/collateral value (per cent) Under 20	20–29	30–39	40–49	50–59	60 or more	Total adjusted debt (millions of dollars)
	Unrestricted	Restricted					
1970—Apr.	1.5	21.8	16.7	12.1	9.3	38.6	8,450
	Unrestricted		Restricted[1]				
May	1.0	4.8	31.8	13.9	8.8	39.8	9,100
June	1.3	1.0	23.3	24.9	9.4	40.1	8,490
July	1.1	1.0	32.7	16.7	9.0	39.5	8,610
Aug.	.7	1.1	37.8	14.3	9.2	36.9	8,580
Sept.	.6	1.1	45.5	12.0	8.9	31.9	8,900
Oct.	.7	1.0	38.4	18.0	9.2	32.6	8,780
Nov.	1.0	0.9	39.0	16.4	9.7	33.0	8,570
Dec.	.0	.3	47.0	13.7	9.5	29.4	8,140
1971—Jan.	.0	.4	55.1	12.5	8.4	23.6	8,180
Feb.	.0	.4	56.2	13.2	7.7	22.5	8,410
Mar.	.0	.5	58.4	12.7	6.7	21.6	8,820
Apr.	.2	.4	60.6	12.1	6.0	20.7	9,200

[1] Debt representing more than 30 per cent but less than 35 per cent of collateral value is unrestricted as of May 6, 1970, but is not separable from the remainder of this category.

NOTE.—Adjusted debt is computed in accordance with requirements set forth in Regulation T and often differs from the same customer's net debit balance mainly because of the inclusion of special miscellaneous accounts in adjusted debt. Collateral in the margin accounts covered by these data now consists exclusively of stocks listed on a national securities exchange. Unrestricted accounts are those in which adjusted debt does not exceed the loan value of collateral; accounts in all classes with higher ratios are restricted.

SPECIAL MISCELLANEOUS ACCOUNT BALANCES AT BROKERS, BY EQUITY STATUS OF ACCOUNTS

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status 60 per cent or more	Less than 60 per cent	Total balance (millions of dollars)
1970—Apr.	54.0	35.9	10.2	4,140
May	50.3	38.8	10.9	4,840
June	49.5	39.1	11.4	4,550
July	47.5	40.5	11.9	4,390
Aug.	46.7	42.6	10.7	4,430
Sept.	46.6	44.5	9.0	4,480
Oct.	46.2	43.9	9.9	4,430
Nov.	45.5	43.9	10.6	4,240
Dec.	48.2	42.3	9.4	4,030
1971—Jan.	49.2	43.6	7.2	4,260
Feb.	49.1	44.2	6.7	4,380
Mar.	48.6	45.5	5.9	4,400
Apr.	46.8	48.1	5.1	4,500

NOTE.—Special miscellaneous accounts contain credit balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

COMMERCIAL AND FINANCE COMPANY PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial and finance company paper: Total	Placed through dealers: Bank related	Placed through dealers: Other[1]	Placed directly: Bank related	Placed directly: Other[2]	Dollar acceptances: Total	Held by— Accepting banks: Total	Accepting banks: Own bills	Accepting banks: Bills bought	F.R. Banks: Own acct.	F.R. Banks: Foreign corr.	Others	Based on— Imports into United States	Exports from United States	All other
1964	8,361	....	2,223	....	6,138	3,385	1,671	1,301	370	94	122	1,498	667	999	1,719
1965	9,058	....	1,903	....	7,155	3,392	1,223	1,094	129	187	144	1,837	792	974	1,626
1966	13,279	....	3,089	....	10,190	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967	16,535	....	4,901	....	11,634	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968	20,497	....	7,201	....	13,296	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969	31,709	1,216	10,601	3,078	16,814	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970—Apr.	38,011	1,088	12,647	5,584	18,692	5,614	1,577	1,314	263	106	194	3,737	2,034	1,137	2,444
May	39,724	1,126	12,826	6,474	19,298	5,801	1,539	1,287	252	42	231	3,989	2,139	1,189	2,472
June	37,798	1,044	11,945	6,559	18,250	5,849	1,589	1,339	250	32	232	3,996	2,190	1,162	2,497
July	36,961	986	11,048	6,834	18,093	5,973	1,599	1,324	275	37	239	4,098	2,294	1,198	2,482
Aug.	36,570	802	11,242	6,501	18,025	5,979	1,911	1,541	370	63	253	3,752	2,354	1,294	2,331
Sept.	33,958	505	12,013	4,115	17,325	5,848	1,952	1,557	395	87	235	3,574	2,396	1,285	2,167
Oct.	34,401	520	12,564	3,179	18,138	6,167	2,125	1,737	388	73	238	3,731	2,553	1,323	2,292
Nov.	33,966	526	12,775	2,600	18,065	6,267	2,368	1,875	493	87	243	3,569	2,490	1,388	2,390
Dec.	31,765	409	12,262	1,940	17,154	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971—Feb.	32,506	383	13,538	1,518	17,067	6,984	3,089	2,306	784	54	266	3,575	2,618	1,520	2,847
Mar.	31,223	355	13,215	1,337	16,316	7,174	2,954	2,276	678	138	255	3,827	2,681	1,519	2,974
Apr.p	31,367	431	13,058	1,363	16,515	7,301	2,893	2,320	573	56	236	4,115	2,748	1,510	3,043

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

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

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans: Mortgage	Loans: Other	Securities: U.S. Govt.	Securities: State and local govt.	Securities: Corporate and other[1]	Cash	Other assets	Total assets—Total liabilities and general reserve accts.	Deposits[2]	Other liabilities	General reserve accounts	Mortgage loan commitments[3] classified by maturity (in months): 3 or less	3–6	6–9	Over 9	Total
1960	26,702	416	6,243	672	5,076	874	589	40,571	36,343	678	3,550	......	......	......	......	1,200
1961	28,902	475	6,160	677	5,040	937	640	42,829	38,277	781	3,771	......	......	......	......	1,654
1962	32,056	602	6,107	527	5,177	956	695	46,121	41,336	828	3,957	......	......	......	......	2,548
1963	36,007	607	5,863	440	5,074	912	799	49,702	44,606	943	4,153	......	......	......	......	2,549
1964	40,328	739	5,791	391	5,099	1,004	886	54,238	48,849	989	4,400	......	......	......	......	2,820
1965	44,433	862	5,485	320	5,170	1,017	944	58,232	52,443	1,124	4,665	......	......	......	......	2,697
1966	47,193	1,078	4,764	251	5,719	953	1,024	60,982	55,006	1,114	4,863	......	......	......	......	2,010
1967	50,311	1,203	4,319	219	8,183	993	1,138	66,365	60,121	1,260	4,984	742	982		799	2,523
1968	53,286	1,407	3,834	194	10,180	996	1,256	71,152	64,507	1,372	5,273	811	1,034		1,166	3,011
1969	55,781	1,824	3,296	200	10,824	912	1,307	74,144	67,026	1,588	5,530	584	485	452	946	2,467
1970—Apr.	56,279	2,048	3,294	188	11,319	853	1,385	75,366	67,861	1,906	5,599	603	500	455	801	2,360
May	56,423	2,223	3,362	190	11,465	852	1,374	75,889	68,196	2,071	5,621	616	502	388	769	2,275
June	56,644	2,131	3,214	197	11,766	956	1,404	76,312	68,724	1,957	5,631	646	474	363	707	2,190
July	56,804	2,239	3,241	196	11,945	920	1,459	76,804	69,039	2,121	5,643	665	457	351	678	2,151
Aug.	56,986	2,249	3,271	197	12,099	972	1,464	77,238	69,222	2,327	5,689	603	406	332	715	2,057
Sept.	57,202	2,240	3,281	197	12,222	1,001	1,459	77,602	69,817	2,087	5,698	635	334	266	691	1,926
Oct.	57,398	2,291	3,215	207	12,243	1,035	1,465	77,855	70,093	2,051	5,712	596	338	274	666	1,875
Nov.	57,473	2,332	3,219	205	12,378	1,112	1,483	78,202	70,361	2,111	5,730	564	315	311	662	1,852
Dec.r	57,775	2,255	3,151	197	12,876	1,270	1,471	78,995	71,580	1,690	5,726	619	322	302	688	1,931
1971—Jan.	58,014	2,365	3,196	206	13,457	1,129	1,564	79,930	72,441	1,739	5,750	638	322	285	705	1,950
Feb.	58,194	2,592	3,328	222	13,919	1,270	1,575	81,100	73,366	1,926	5,809	723	352	283	790	2,148
Mar.	58,540	2,636	3,356	246	14,882	1,287	1,635	82,581	75,002	1,746	5,832	840	413	322	864	2,439
Apr.	58,796	2,727	3,340	278	15,519	1,254	1,656	83,570	75,824	1,882	5,863	......	993	445	360	2,804

[1] Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

[2] See note 6, p. A-19.

[3] Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans beginning with Aug. 1967.

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

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mort-gages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign [1]	Total	Bonds	Stocks				
Statement value:												
1961	126,816	11,896	6,134	3,888	1,874	55,294	49,036	6,258	44,203	4,007	5,733	5,683
1962	133,291	12,448	6,170	4,026	2,252	57,576	51,274	6,302	46,902	4,107	6,234	6,024
1963	141,121	12,438	5,813	3,852	2,773	60,780	53,645	7,135	50,544	4,319	6,655	6,385
1964	149,470	12,322	5,594	3,774	2,954	63,579	55,641	7,938	55,152	4,528	7,140	6,749
1965	158,884	11,679	5,119	3,530	3,030	67,599	58,473	9,126	60,013	4,681	7,678	7,234
1966	167,022	10,837	4,823	3,114	2,900	69,816	61,061	8,755	64,609	4,883	9,117	7,760
1967	177,832	10,573	4,683	3,145	2,754	76,070	65,193	10,877	67,516	5,187	10,059	8,427
1968	188,636	10,509	4,456	3,194	2,859	82,127	68,897	13,230	69,973	5,571	11,306	9,150
Book value:												
1966	167,022	10,864	4,824	3,131	2,909	68,677	61,141	7,536	64,661	4,888	9,911	8,801
1967	177,361	10,530	4,587	2,993	2,950	73,997	65,015	8,982	67,575	5,188	10,060	11,011
1968	187,695	10,483	4,365	3,036	3,082	79,403	68,575	10,828	70,071	5,573	11,284	10,881
1969	197,208	10,914	4,514	3,221	3,179	84,566	70,859	13,707	72,027	5,912	13,825	9,964
1970—Feb. r	198,808	10,991	4,563	3,232	3,196	85,390	71,734	13,656	72,448	5,975	14,302	9,702
Mar.	199,403	10,941	4,505	3,242	3,194	85,344	71,532	13,812	72,616	5,990	14,535	9,977
Apr.	199,090	10,833	4,414	3,223	3,196	85,103	71,764	13,339	72,793	6,030	14,759	9,572
May	199,173	10,895	4,472	3,226	3,197	84,633	71,858	12,775	72,982	6,061	14,951	9,651
June	199,683	10,788	4,401	3,222	3,165	84,656	71,894	12,762	73,165	6,103	15,180	9,791
July	201,002	11,071	4,650	3,251	3,170	85,404	72,200	13,204	73,352	6,144	15,354	9,677
Aug.	201,918	11,090	4,653	3,255	3,182	85,841	72,497	13,344	73,427	6,158	15,517	9,885
Sept.	203,148	11,004	4,561	3,265	3,178	86,675	72,915	13,760	73,540	6,202	15,674	10,053
Oct.	203,922	11,029	4,565	3,277	3,187	87,099	73,389	13,710	73,728	6,255	15,813	9,998
Nov.	205,064	11,049	4,588	3,281	3,180	87,755	73,644	14,111	73,848	6,311	15,918	10,183
Dec.	206,193	10,967	4,494	3,285	3,188	88,183	73,123	15,060	74,345	6,362	16,025	10,311
1971—Jan.	208,206	11,027	4,557	3,298	3,172	90,127	74,326	15,801	74,370	6,341	16,109	10,232
Feb.	209,885	11,126	4,632	3,319	3,175	91,038	74,696	16,342	74,437	6,453	16,220	10,611

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

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

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

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets— Total liabilities	Liabilities					Mortgage loan commitments [4]	
	Mort-gages	Invest-ment secur-ities [1]	Cash	Other [2]		Savings capital	Reserves and un-divided profits	Bor-rowed money [3]	Loans in process	Other	Made during period	Outstand-ing at end of period
1961	68,834	5,211	3,315	4,775	82,135	70,885	5,708	2,856	1,550	1,136	....	1,872
1962	78,770	5,563	3,926	5,346	93,605	80,236	6,520	3,629	1,999	1,221	....	2,193
1963	90,944	6,445	3,979	6,191	107,559	91,308	7,209	5,015	2,528	1,499	....	2,572
1964	101,333	6,966	4,015	7,041	119,355	101,887	7,899	5,601	2,239	1,729	....	2,549
1965	110,306	7,414	3,900	7,960	129,580	110,385	8,704	6,444	2,198	1,849	....	2,707
1966	114,427	7,762	3,366	8,378	133,933	113,969	9,096	7,462	1,270	2,136	....	1,482
1967	121,805	9,180	3,442	9,107	143,534	124,531	9,546	4,738	2,257	2,462	....	3,004
1968	130,802	[1] 11,116	2,962	9,571	152,890	131,618	10,315	5,705	2,449	2,803	....	3,584
1969 [5]	140,347	10,893	2,439	8,620	162,299	135,670	11,239	9,728	2,455	3,207	807	2,812
1970 [5]—Apr.	141,390	11,554	2,359	8,852	164,155	136,260	11,252	10,056	2,224	4,363	1,391	3,487
May	142,113	12,108	2,523	8,986	165,730	137,013	11,254	10,169	2,294	5,000	1,588	3,956
June	143,241	12,097	2,643	9,052	167,033	138,814	11,620	10,480	2,461	3,658	1,544	4,038
July	144,320	12,742	2,404	8,999	168,465	139,357	11,617	10,555	2,530	4,406	1,700	4,333
Aug.	145,434	12,826	2,413	9,091	169,764	139,907	11,615	10,622	2,581	5,039	1,531	4,303
Sept.	146,556	12,850	2,455	9,182	171,043	141,734	11,609	10,705	2,679	4,316	1,628	4,354
Oct.	147,712	13,277	2,715	9,248	172,952	142,825	11,588	10,721	2,747	5,071	1,711	4,539
Nov.	148,896	13,340	3,155	9,356	174,747	143,928	11,592	10,691	2,838	5,698	1,628	4,633
Dec.	150,562	13,058	3,520	9,434	176,574	146,744	12,012	10,942	3,087	3,789	1,602	4,393
1971—Jan.	151,503	15,506	2,930	9,386	179,325	149,298	12,056	10,494	3,055	4,422	1,665	4,565
Feb.	152,665	16,805	3,249	9,524	182,243	151,742	12,062	10,097	3,161	5,181	2,069	5,225
Mar. r	154,430	18,335	3,376	9,668	185,809	155,845	12,044	9,838	3,500	4,577	3,130	6,445
Apr. p	156,564	18,331	3,139	9,822	187,856	158,062	12,025	8,645	3,875	5,249	3,350	7,340

[1] U.S. Govt. securities only through 1967. Beginning 1968 the total reflects liquid assets and other investment securities. Included are U.S. Govt. obligations, Federal agency securities, State and local govt. securities, time deposits at banks, and miscellaneous securities, except FHLBB stock. Compensating changes have been made in "Other assets."

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

[3] Consists of advances from FHLBB and other borrowing.

[4] Insured savings and loan assns. only. Data on outstanding commitments are comparable with those shown for mutual savings banks (on preceding page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

[5] Balance sheet data for all operating savings and loan associations were revised by the Federal Home Loan Bank Board for 1969 and 1970.

NOTE.—Federal Home Loan Bank Board data; figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital										
	Advances to members	Investments	Cash and deposits	Bonds and notes	Member deposits	Capital stock	Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Debentures (L)	Loans and discounts (A)	Debentures (L)	Mortgage loans (A)	Bonds (L)
1967	4,386	2,598	127	4,060	1,432	1,395	5,348	4,919	1,506	1,253	3,411	3,214	5,609	4,904
1968	5,259	2,375	126	4,701	1,383	1,402	6,872	6,376	1,577	1,334	3,654	3,570	6,126	5,399
1969	9,289	1,862	124	8,422	1,041	1,478	10,541	10,511	1,732	1,473	4,275	4,116	6,714	5,949
1970	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1970—Apr.	9,860	3,090	89	9,993	1,110	1,574	12,456	12,411	1,828	1,594	4,810	4,591	6,890	6,113
May	10,008	2,964	78	9,888	1,189	1,579	13,287	12,605	1,796	1,539	4,942	4,739	6,943	6,113
June	10,236	2,844	106	9,880	1,333	1,586	13,659	13,165	1,749	1,509	5,097	4,879	6,995	6,179
July	10,372	2,704	70	10,029	1,194	1,592	14,085	13,401	1,762	1,518	5,034	4,980	7,026	6,259
Aug.	10,445	2,729	99	10,091	1,244	1,595	14,452	13,976	1,778	1,537	5,015	4,918	7,061	6,339
Sept.	10,524	2,722	109	10,089	1,340	1,598	14,815	14,396	1,852	1,537	4,998	4,839	7,101	6,339
Oct.	10,539	2,658	84	10,090	1,499	1,598	14,702	14,702	1,973	1,601	4,972	4,818	7,137	6,395
Nov.	10,524	3,204	135	9,838	1,981	1,601	15,397	15,067	2,020	1,700	4,934	4,767	7,156	6,395
Dec.	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971—Jan.	*10,326*	*4,101*	*112*	*9,836*	*2,751*	*1,599*	*15,619*	*15,311*	2,119	1,786	5,055	4,845	7,210	6,395
Feb.	9,926	4,187	105	9,182	3,094	1,619	15,552	15,111	2,164	1,819	5,177	4,959	7,258	6,645
Mar.	9,689	4,322	116	8,756	3,425	1,628	15,420	15,122	2,153	1,819	5,380	5,077	7,347	6,645
Apr.	8,269	4,235	192	7,876	2,828	1,627	15,308	15,477	2,113	1,900	5,568	5,336	7,426	6,700

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly offered securities (excluding, for FHLB's bonds held within the FHLB System) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table below. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

OUTSTANDING ISSUES OF FEDERALLY SPONSORED AGENCIES, APRIL 30, 1971

Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)
Federal home loan banks[1]		
Notes:		
Bonds:		
5/26/69 – 5/25/71	7.00	350
5/25/70 – 5/25/71	8.20	500
2/25/70 – 6/25/71	8.45	586
7/27/70 – 7/27/71	7½	433
8/25/70 – 8/25/71	7.65	588
9/25/70 – 9/27/71	7.35	338
10/27/69 – 11/26/71	8.20	250
11/25/69 – 2/25/72	8.20	200
6/26/70 – 2/25/72	8.20	300
5/25/70 – 5/25/72	8.15	200
9/25/70 – 11/27/72	7⅜	250
2/25/70 – 2/26/73	8.35	350
3/25/71 – 5/25/73	4.20	400
10/27/70 – 8/27/73	7.20	450
1/26/70 – 1/25/74	8.40	300
6/26/70 – 2/25/74	8.40	250
8/25/69 – 8/25/74	7.65	183
11/25/69 – 11/25/74	8.05	234
1/26/71 – 2/25/75	6.10	250
8/25/70 – 5/26/75	8.00	265
7/27/70 – 8/25/75	7.95	300
12/18/70 – 11/25/75	6.50	350
3/25/70 – 2/25/80	7.75	350
10/15/70 – 10/15/80	7.80	200
Federal National Mortgage Association—Secondary market operations		
Discount notes		1,826
Capital debentures:		
9/30/68 – 10/1/73	6.00	250
4/1/70 – 4/1/75	8.00	200
Mortgage-backed bonds:		
6/1/70 – 6/1/71	8.13	150
9/9/70 – 10/2/72	7.50	400
6/1/70 – 6/2/75	8.38	250
9/29/70 – 10/1/90	8.63	200
Debentures:		
11/10/69 – 5/10/71	8.20	400
4/10/69 – 6/10/71	6.85	250
12/12/69 – 7/12/71	8.60	400
8/23/60 – 8/10/71	4⅛	63
Federal National Mortgage Association—Cont.		
Debentures—Cont:		
4/10/70 – 8/10/71	7.38	200
7/10/70 – 8/10/71	8.05	250
9/11/61 – 9/10/71	4½	96
9/10/68 – 9/10/71	5¾	350
6/10/70 – 10/21/71	8.45	500
5/10/69 – 11/10/71	6.85	350
3/10/70 – 12/10/71	6¾	500
2/10/60 – 2/10/72	5⅛	98
3/10/69 – 3/10/72	6¾	250
10/14/69 – 3/10/72	6¾	200
12/11/61 – 6/12/72	4⅜	100
2/10/70 – 6/12/72	8.70	300
5/11/70 – 9/11/72	8.40	400
6/10/70 – 9/11/72	7.40	200
11/10/69 – 12/11/72	8.00	200
10/13/70 – 12/11/72	7.20	400
11/10/70 – 3/12/73	7.30	450
12/12/69 – 3/12/73	8.30	250
6/12/61 – 6/12/73	4¼	146
7/10/70 – 6/12/73	8.35	350
3/10/70 – 9/10/73	8.10	300
12/10/70 – 12/10/73	5.75	500
4/10/70 – 3/11/74	7.75	350
8/5/70 – 6/10/74	7.90	400
9/10/69 – 9/10/74	7.85	250
2/10/71 – 9/10/74	5.65	300
5/10/71 – 12/10/74	6.10	250
11/10/70 – 3/10/75	7.55	300
4/12/71 – 6/10/75	5.25	500
10/13/70 – 9/10/75	7.50	350
3/11/71 – 3/10/76	5.65	500
2/13/62 – 2/10/77	4½	198
12/10/70 – 6/10/77	6.38	250
5/10/71 – 6/10/77	6.50	150
1/21/71 – 6/10/81	7.25	250
2/10/71 – 6/10/82	6.65	250
3/11/71 – 6/10/83	6.75	200
4/12/71 – 6/11/84	6.25	200
Banks for cooperatives		
Debentures:		
11/2/70 – 5/3/71	6.70	343
12/10/70 – 6/1/71	5.70	371
1/4/71 – 7/1/71	5.25	335
2/1/71 – 8/2/71	4.50	420
4/1/71 – 10/4/71	3.70	331
10/1/70 – 10/1/73	7.30	100
Federal intermediate credit banks		
Debentures:		
8/3/70 – 5/3/71	7.25	472
9/1/70 – 6/1/71	7.30	282
10/1/70 – 7/1/71	7.10	547
11/2/70 – 8/2/71	6.80	584
12/1/70 – 9/1/71	5.70	412
1/4/71 – 10/4/71	5.30	423
2/1/71 – 11/1/71	4.55	676
3/1/71 – 12/1/71	4.00	623
4/1/71 – 1/3/72	3.85	691
3/2/70 – 3/1/73	8.15	203
9/1/70 – 7/2/73	7.75	200
1/4/71 – 7/1/74	5.95	224
Federal land banks		
Bonds:		
2/15/57 – 2/15/67–72	4⅛	72
5/1/56 – 5/1/71	3½	60
7/15/69 – 7/20/71	8.15	270
10/20/69 – 7/20/71	8.45	232
10/20/68 – 10/20/71	6.00	447
8/20/68 – 2/15/72	5.70	230
2/23/71 – 4/20/72	4.45	300
6/22/70 – 7/20/72	8.20	442
9/14/56 – 9/15/72	3⅞	109
9/22/69 – 9/15/72	8.35	337
10/23/72 – 10/23/72	5⅞	200
7/20/70 – 1/22/73	7.95	407
2/20/63 – 2/20/73–78	4⅛	148
1/20/70 – 7/20/73	8.45	198
8/20/73 – 7/20/73	7.95	350
4/20/70 – 10/22/73	7.80	300
2/20/72 – 2/20/74	4½	155
10/20/70 – 4/22/74	7.30	354
4/20/71 – 4/20/72	4¼	437
2/20/70 – 1/20/75	8⅜	220
4/20/71 – 10/21/74	5.30	300
4/20/65 – 4/21/75	4⅜	200
2/21/66 – 2/24/76	5.00	123
7/20/66 – 7/20/76	5⅜	150
5/2/66 – 4/20/78	5⅛	150
2/20/67 – 1/22/79	5.00	285
2/23/71 – 4/20/81	6.70	224

[1] Data for changes in Oct. and Nov. 1970 not yet available.

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

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget: Receipt-expenditure account: Budget receipts	U.S. budget: Receipt-expenditure account: Net expenditures	U.S. budget: Net lending	U.S. budget: Budget outlays[1]	U.S. budget: Budget surplus or deficit (−)	Means of financing: Borrowings from the public[2]: Public debt securities	Plus: Agency securities	Less: Investments by Govt. accounts: Special issues	Less: Investments by Govt. accounts: Other	Less: Special notes[3]	Equals: Total borrowing	Less: Cash and monetary assets: Treasury operating balance	Less: Cash and monetary assets: Other	Other means of financing, net[4]
Fiscal year:														
1967	149,552	153,201	5,053	158,254	−8,702	6,314	5,079	5,035	4,000	−482	2,838	−5,222	304	945
1968	153,671	172,802	6,030	178,833	−25,161	21,357	5,944	3,271	2,049	−1,119	23,100	−397	1,700	3,364
1969	187,784	183,072	1,476	184,548	3,236	6,142	633	7,364	2,089	−1,384	[2]−1,295	596	1,616	269
1970	193,743	194,456	2,131	196,588	−2,845	17,198	−1,739	9,386	676	....	5,397	2,151	−581	−982
Half year:														
1969—Jan.–June	104,886	90,863	500	91,362	13,523	−4,309	−815	7,643	604	−1,000	−12,370	1,194	1,590	1,630
July–Dec.	90,833	97,563	1,364	98,927	−8,093	14,505	−429	3,935	330	....	9,811	−767	315	−2,170
1970—Jan.–June	102,910	96,893	767	97,661	5,248	2,693	−1,310	5,451	346	....	−4,415	2,918	−896	1,188
July–Dec.	87,562	104,084	99	104,183	−16,621	18,240	−19	1,807	157	....	16,257	54	−952	−534
Month:														
1970—Apr.	[r]22,006	[r]17,828	201	[r]18,029	[r]3,975	−4,813	−39	−285	123	....	4,691	85	[r]161	[r]961
May	13,986	16,337	108	16,445	−2,459	3,893	−278	1,565	599	....	1,452	−1,008	−1,258	−1,259
June	22,561	14,871	480	15,351	7,210	−169	−160	2,909	−82	....	−3,156	2,034	265	−1,755
July	12,609	19,344	−17	19,327	−6,718	5,649	−38	−233	−153	....	5,997	−646	−386	−312
Aug.	15,172	17,429	66	17,495	−2,323	4,333	−3	1,539	76	....	2,716	−58	−367	−818
Sept.	18,725	17,329	114	17,443	1,281	−2,223	12	−890	27	....	−1,347	1,497	7	1,570
Oct.	11,493	17,490	150	17,640	−6,147	1,522	−17	−1,178	122	....	2,561	−2,383	−192	1,011
Nov.	14,134	16,616	112	16,728	−2,594	3,440	−5	81	48	....	3,306	−429	−71	−1,212
Dec.	15,429	15,876	−326	15,550	−121	5,519	31	2,487	38	....	3,024	2,185	−54	−772
1971—Jan.	15,773	16,870	245	17,115	−1,341	−818	1,013	−551	86	....	660	1,518	654	2,854
Feb.	15,130	16,717	−170	16,546	−1,417	2,324	−1,001	1,464	−382	....	240	−1,718	−193	−734
Mar.	13,205	18,328	318	18,646	−5,441	1,003	518	522	324	....	675	−3,370	57	1,453
Apr.	21,024	17,769	49	17,818	3,206	223	−345	221	−71	....	−271	4,365	527	1,957

End of period	Selected balances: Treasury operating balance: F.R. Banks	Treasury operating balance: Tax and loan accounts	Treasury operating balance: Gold balance	Treasury operating balance: Total	Federal securities: Public debt securities	Federal securities: Agency securities	Less: Investments of Govt. accounts: Special issues	Less: Investments of Govt. accounts: Other	Less: Special notes[3]	Equals: Total held by public	Memo: Debt of Govt.-sponsored corps.—Now private[5]
Fiscal year:											
1967	1,311	4,272	112	5,695	326,221	18,455	56,155	17,663	3,328	267,529	9,220
1968	1,074	4,113	111	5,298	347,578	24,399	59,374	19,766	2,209	290,629	10,041
1969	1,258	4,525	112	5,894	353,720	14,249	66,738	20,923	825	279,483	24,991
1970	1,005	6,929	111	8,045	370,919	12,510	76,124	21,599	825	284,880	35,789
Calendar year:											
1969	1,312	3,903	112	5,327	368,226	13,820	70,677	21,250	825	289,294	30,578
1970	1,156	6,834	109	8,099	389,158	12,491	77,931	21,756	825	301,138	....
Month:											
1970—Apr.	1,784	5,123	111	7,019	367,194	12,948	71,650	21,082	825	286,584	34,851
May	1,295	4,605	111	6,011	371,088	12,670	73,215	21,681	825	288,036	35,068
June	1,005	6,929	111	8,045	370,919	12,510	76,124	21,599	825	284,880	35,762
July	1,200	6,087	111	7,399	376,568	12,471	75,891	21,446	825	290,877	36,398
Aug.	1,056	6,174	111	7,341	380,901	12,469	77,431	21,521	825	293,593	37,116
Sept.	1,238	7,489	111	8,839	378,678	12,481	76,541	21,548	825	292,246	37,404
Oct.	920	5,424	111	6,455	380,200	12,465	75,363	21,669	825	294,808	37,811
Nov.	587	5,217	110	5,914	383,640	12,460	75,444	21,717	825	298,113	38,252
Dec.	1,156	6,834	109	8,099	389,158	12,491	77,931	21,756	825	301,138	38,802
1971—Jan.	976	8,532	109	9,616	388,341	13,504	77,380	21,842	825	301,798	[r]38,693
Feb	1,064	6,725	109	7,898	390,664	12,503	78,843	21,461	825	302,038	38,183
Mar.	858	3,561	109	4,528	391,668	13,021	79,366	21,784	825	302,713	37,814
Apr.	1,322	7,462	109	8,893	391,891	12,676	79,586	21,714	825	302,442	....

1 Equals net expenditures plus net lending.

2 The decrease in Federal securities resulting from conversion to private ownership of Govt.-sponsored corporations (totaling $9,853 million) is not included here. In the bottom panel, however, these conversions decrease the outstanding amounts of Federal securites held by the public mainly by reductions in agency securities. The Federal National Mortgage Association (FNMA) was converted to private owership in Sept. 1968 and the Federal Intermediate Credit Banks (FICB) and Banks for Cooperatives in Dec. 1968.

3 Represents non-interest-bearing public debt securities issued to the International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

4 Includes accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.

5 Includes debt of Federal home loan banks, Federal land banks, D.C. Stadium Fund, FNMA (beginning Sept. 1968), FICB, and banks for cooperatives (beginning Dec. 1968).

NOTE.—Half years may not add to fiscal year totals due to revisions in series which are not yet available on a monthly basis.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Budget receipts															
	Total	Individual income taxes				Corporation income taxes		Social insurance taxes and contributions					Excise taxes	Customs	Estate and gift	Misc. receipts[3]
								Employment taxes and contributions[1]		Unempl. insur.	Other net receipts[2]	Net total				
		Withheld	Nonwithheld	Refunds	Net total	Gross receipts	Refunds	Payroll taxes	Self-empl.							
Fiscal year:																
1967	149,552	50,521	18,850	7,845	61,526	34,918	946	26,047	1,776	3,659	1,867	33,349	13,719	1,901	2,978	2,108
1968	153,671	57,301	20,951	9,527	68,726	29,897	1,232	27,680	1,544	3,346	2,052	34,622	14,079	2,038	3,051	2,491
1969	187,784	70,182	27,258	10,191	87,249	38,338	1,660	32,521	1,715	3,328	2,353	39,918	15,222	2,319	3,491	2,908
1970	193,743	77,416	26,236	13,240	90,412	35,037	2,208	37,190	1,942	3,465	2,700	45,298	15,705	2,430	3,644	3,424
Half year:																
1969—Jan.–June	104,886	36,446	21,743	9,715	48,474	22,844	876	17,577	1,584	2,039	1,174	22,374	7,388	1,106	2,074	1,504
July–Dec.	90,833	38,797	5,771	481	44,087	15,179	982	17,057	131	1,270	1,282	19,740	8,241	1,263	1,496	1,809
1970—Jan.–June	102,910	38,619	20,465	12,759	46,325	19,858	1,226	20,134	1,811	2,196	1,416	25,558	7,464	1,168	2,148	1,615
July–Dec.	87,562	37,445	5,569	565	42,449	12,744	1,467	17,768	133	1,348	1,576	20,826	8,152	1,317	1,537	2,005
Month:																
1970—Apr.	r22,005	r5,740	8,992	r4,056	r10,677	4,895	r301	2,847	1,081	234	r229	r4,390	1,226	207	599	r313
May	13,986	7,058	1,063	2,863	5,258	862	148	4,585	207	857	202	5,851	1,319	192	348	304
June	22,561	6,014	3,797	458	9,353	7,517	188	3,294	127	70	278	3,769	1,367	207	328	207
July	12,609	6,040	477	236	6,281	1,071	234	2,745	......	186	255	3,185	1,439	218	293	356
Aug.	15,172	6,985	333	100	7,219	666	182	4,494	......	587	249	5,330	1,309	223	224	382
Sept.	18,725	5,907	3,623	81	9,449	4,543	265	2,521	123	47	270	2,962	1,272	218	234	313
Oct.	11,493	5,667	497	55	6,110	1,089	420	2,311	......	106	280	2,697	1,237	231	262	288
Nov.	14,134	7,007	216	42	7,181	711	187	3,474	......	374	259	4,107	1,549	207	239	327
Dec.	15,429	5,838	422	50	6,209	4,664	179	2,222	9	50	265	2,545	1,346	220	285	339
1971—Jan.	15,773	6,339	4,280	40	10,579	1,085	558	2,178	113	165	264	2,720	1,195	199	269	286
Feb.	15,130	7,246	654	1,407	6,493	683	310	4,835	141	721	248	5,944	1,505	175	280	361
Mar.	13,205	6,605	1,392	4,631	3,366	3,887	363	3,472	152	77	288	3,990	1,443	226	329	328
Apr.	21,024	5,939	7,951	4,261	9,630	4,360	345	3,294	1,085	301	290	4,970	1,351	221	589	248

Period	Budget outlays[4]													
	Total	National defense	Intl. affairs	Space research	Agriculture	Natural resources	Commerce and transp.	Commun. develop. and housing	Education and manpower	Health and welfare	Veterans	Interest	General govt.	Intragovt. transactions[5]
Fiscal year:														
1967	158,254	70,081	4,547	5,423	4,376	1,821	7,594	2,616	5,853	37,885	6,897	12,588	2,510	−3,936
1968	178,833	80,517	4,619	4,721	5,943	1,655	8,094	4,076	6,739	43,780	6,882	13,744	2,561	−4,499
1969	184,548	81,232	3,785	4,247	6,221	2,081	7,921	1,961	6,525	49,395	7,640	15,791	2,866	−5,117
1970	196,588	80,295	3,570	3,749	6,201	2,480	9,310	2,965	7,289	56,785	8,677	18,312	3,336	−6,380
1971 e6	212,755	76,443	3,586	3,368	5,262	2,636	11,442	3,858	8,300	70,474	9,969	19,433	4,381	−7,197
1972 e6	229,232	77,512	4,032	3,151	5,804	4,243	10,937	4,495	8,808	76,749	10,644	19,687	4,970	−7,771
Half Year:														
1969—Jan.–June	91,362	41,408	1,878	2,114	1,293	860	3,372	928	3,764	25,202	3,975	8,183	1,542	−3,158
July–Dec.	98,927	40,616	1,941	1,839	5,476	1,515	4,611	1,820	3,120	26,063	4,148	8,623	1,520	−2,365
1970—Jan.–June	97,661	39,683	1,627	1,910	711	1,017	4,651	1,291	4,314	30,432	4,537	9,687	1,817	−4,015
July–Dec.	104,183	38,485	1,409	1,720	4,633	1,575	5,794	1,677	3,744	32,710	4,625	9,594	1,823	−3,606
Month:														
1970—Apr.	r18,039	r6,804	336	332	107	r180	r973	280	642	5,996	750	r1,633	275	−278
May	16,445	6,516	296	285	144	211	715	98	694	5,207	806	1,563	312	−401
June	15,351	6,926	225	378	−88	218	1,002	291	1,147	5,001	731	1,655	368	−2,503
July	19,327	6,794	199	268	2,430	208	843	471	553	5,276	732	1,597	190	−234
Aug.	17,495	6,253	285	282	720	371	885	259	680	5,289	766	1,705	346	−347
Sept.	17,443	6,374	221	282	44	337	1,231	268	651	5,434	722	1,731	396	−250
Oct.	17,640	6,354	311	302	927	316	1,105	234	593	5,545	767	1,148	334	−296
Nov.	16,728	5,965	234	266	422	283	898	132	534	5,488	829	1,738	264	−324
Dec.	15,550	6,745	160	318	90	59	832	314	733	5,678	808	1,676	294	−2,157
1971—Jan.	17,115	6,153	184	262	632	−409	826	373	676	5,899	768	1,631	367	−247
Feb.	16,546	5,851	236	295	−89	234	759	217	686	5,929	797	1,695	294	−357
Mar.	18,646	6,674	392	333	−52	230	1,000	206	912	6,139	964	1,709	399	−260
Apr.	17,818	6,337	328	252	−21	250	1,015	286	683	6,093	883	1,683	323	−294

[1] *Old-age, disability, and hospital insurance, and Railroad Retirement accounts.*

[2] Supplementary medical insurance premiums and Federal employee retirement contributions.

[3] Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

[4] Outlays by functional categories are published in the *Monthly Treasury Statement* (beginning April 1969). Monthly back data (beginning July 1968) are published in the *Treasury Bulletin* of June 1969.

[5] Consists of government contributions for employee retirement and interest received by trust funds.

[6] Estimates presented in the Jan. 1971 *Budget Document*. Breakdowns do not add to totals because special allowances for contingencies, Federal pay increase, and allowance for revenue sharing, totaling $800 million for fiscal 1971 and $5,969 million for fiscal 1972, are not included.

NOTE.—Half years may not add to fiscal year totals due to revisions in series which are not yet available on a monthly basis.

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt [1]	Public issues: Total	Marketable: Total	Marketable: Bills	Marketable: Certificates	Marketable: Notes	Marketable: Bonds [2]	Convertible bonds	Nonmarketable: Total [3]	Nonmarketable: Savings bonds & notes	Special issues [4]
1941—Dec.	57.9	50.5	41.6	2.0	....	6.0	33.6	....	8.9	6.1	7.0
1946—Dec.	259.1	233.1	176.6	17.0	30.0	10.1	119.5	....	56.5	49.8	24.6
1962—Dec.	303.5	255.8	203.0	48.3	22.7	53.7	78.4	4.0	48.8	47.5	43.4
1963—Dec.	309.3	261.6	207.6	51.5	10.9	58.7	86.4	3.2	50.7	48.8	43.7
1964—Dec.	317.9	267.5	212.5	56.5	....	59.0	97.0	3.0	52.0	49.7	46.1
1965—Dec.	320.9	270.3	214.6	60.2	....	50.2	104.2	2.8	52.9	50.3	46.3
1966—Dec.	329.3	273.0	218.0	64.7	5.9	48.3	99.2	2.7	52.3	50.8	52.0
1967—Dec.	344.7	284.0	226.5	69.9	....	61.4	95.2	2.6	54.9	51.7	57.2
1968—Dec.	358.0	296.0	236.8	75.0	....	76.5	85.3	2.5	56.7	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6	....	85.4	69.9	2.4	56.9	52.2	71.0
1970—May	371.1	295.8	236.6	80.1	....	93.5	63.0	2.4	56.9	52.0	73.3
June	370.9	292.7	232.6	76.2	....	93.5	63.0	2.4	57.7	52.0	76.3
July	376.6	298.5	237.8	81.4	....	93.5	62.9	2.4	58.3	52.0	76.1
Aug.	380.9	301.4	240.5	81.9	....	99.9	58.7	2.4	58.5	52.1	77.5
Sept.	378.7	300.1	239.3	80.7	....	99.9	58.7	2.4	58.4	52.1	76.7
Oct.	380.2	302.9	242.2	83.7	....	99.8	58.7	2.4	58.3	52.2	75.4
Nov.	383.6	306.0	244.4	84.6	....	101.2	58.6	2.4	59.2	52.4	75.6
Dec.	389.2	309.1	247.7	87.9	....	101.2	58.6	2.4	59.1	52.5	78.1
1971—Jan.	388.3	308.8	247.7	87.9	....	101.2	58.5	2.4	58.7	52.6	77.7
Feb.	390.7	309.8	248.1	89.3	....	104.3	54.5	2.4	59.3	52.8	78.9
Mar.	391.7	309.7	247.5	89.0	....	104.3	54.2	2.4	59.9	53.0	80.0
Apr.	391.9	310.4	245.9	87.5	....	104.3	54.1	2.4	62.1	53.2	79.7
May	396.8	313.2	245.6	89.1	....	102.5	54.0	2.3	65.2	53.4	81.7

[1] Includes non-interest-bearing debt (of which $627 million on May 31, 1971, was not subject to statutory debt limitation).

[2] Includes Treasury bonds and minor amounts of Panama Canal and postal saving bonds.

[3] Includes (not shown separately): depositary bonds, retirement plan bonds, foreign currency series, foreign series, and Rural Electrification Administration bonds; before 1954, Armed Forces leave bonds; before 1956, tax and savings notes; and before Oct. 1965, Series A investment bonds.

[4] Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on Daily Statement of U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—U.S. Govt. agencies and trust funds	Held by—F.R. Banks	Held by private investors: Total	Commercial banks	Mutual savings banks	Insurance companies	Other corporations	State and local govts.	Individuals: Savings bonds	Individuals: Other securities	Foreign and international [1]	Other misc. investors [2]
1939—Dec.	41.9	6.1	2.5	33.4	12.7	2.7	5.7	2.0	.4	1.9	7.5	.2	.3
1946—Dec.	259.1	27.4	23.4	208.3	74.5	11.8	24.9	15.3	6.3	44.2	20.0	2.1	9.3
1962—Dec.	303.5	53.2	30.8	219.5	67.1	6.0	11.5	18.6	20.1	47.0	19.1	15.3	14.8
1963—Dec.	309.3	55.3	33.6	220.5	64.2	5.6	11.2	18.7	21.1	48.2	20.0	15.9	15.6
1964—Dec.	317.9	58.4	37.0	222.5	63.9	5.5	11.0	18.2	21.1	49.1	20.7	16.7	16.3
1965—Dec.	320.9	59.7	40.8	220.5	60.7	5.3	10.3	15.8	22.9	49.7	22.4	16.7	16.7
1966—Dec.	329.3	65.9	44.3	219.2	57.4	4.6	9.5	14.9	24.3	50.3	24.3	14.5	19.4
1967—Dec.	344.7	73.1	49.1	222.4	63.8	4.1	8.6	12.2	24.1	51.2	22.8	15.8	19.9
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.6	8.0	14.2	24.4	51.9	23.9	14.3	22.4
1969—Dec.	368.2	89.0	57.2	222.0	56.8	2.9	7.1	13.3	25.4	51.8	29.1	11.4	24.1
1970—Apr.	367.2	90.2	56.5	220.5	54.5	2.8	7.1	11.9	24.7	51.6	31.1	13.2	23.6
May	371.1	92.3	57.3	221.4	53.9	2.9	6.9	12.5	25.2	51.6	31.4	13.8	23.3
June	370.9	95.2	57.7	218.0	53.3	2.9	6.8	11.1	24.6	51.6	30.9	14.8	22.0
July	376.6	94.8	58.6	223.2	55.1	2.8	7.1	12.0	24.2	51.6	31.2	15.9	23.4
Aug.	380.9	96.4	59.9	224.6	58.0	2.9	7.2	11.7	24.2	51.7	30.6	16.5	21.8
Sept.	378.7	95.5	60.0	223.2	56.9	2.9	7.1	10.3	24.0	51.7	31.0	17.4	22.1
Oct.	380.2	94.4	60.0	225.8	58.9	2.8	7.0	11.1	24.2	51.9	30.5	18.2	21.4
Nov.	383.6	94.6	61.2	227.9	59.8	2.7	6.9	10.8	23.2	51.9	30.4	20.0	22.1
Dec.	389.2	97.1	62.1	229.9	63.2	2.8	7.0	10.6	22.9	52.1	29.8	20.6	21.1
1971—Jan.	388.3	96.7	61.8	229.9	62.1	2.7	7.3	11.1	23.0	52.1	29.5	20.9	21.1
Feb.	390.7	98.0	62.5	230.2	62.1	2.8	7.2	10.2	23.8	52.3	28.8	22.9	20.1
Mar.	391.7	98.8	64.2	228.7	61.2	2.8	6.8	11.0	22.6	52.5	27.5	25.4	18.9
Apr.	391.9	99.1	63.7	229.1	60.2	2.8	6.8	10.0	22.0	52.8	26.5	29.2	19.0

[1] Consists of investments of foreign and international accounts in the United States.

[2] Consists of savings and loan assns., nonprofit institutions, corporate pension trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately-owned agencies and certain Govt. deposit accounts.

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year: Total	Within 1 year: Bills	Within 1 year: Other	1–5 years	5–10 years	10–20 years	Over 20 years
All holders:								
1968—Dec. 31	236,812	108,611	75,012	33,599	68,260	35,130	8,396	16,415
1969—Dec. 31	235,863	118,124	80,571	37,553	73,301	20,026	8,358	16,054
1970—Dec. 31	247,713	123,423	87,923	35,500	82,318	22,554	8,556	10,863
1971—Mar. 31	247,457	114,940	88,977	25,963	86,024	27,199	8,513	10,780
Apr. 30	245,888	113,466	87,504	25,962	85,990	27,199	8,491	10,742
U.S. Govt. agencies and trust funds:								
1968—Dec. 31	15,402	2,438	1,034	1,404	4,503	2,964	2,060	3,438
1969—Dec. 31	16,295	2,321	812	1,509	6,006	2,472	2,059	3,437
1970—Dec. 31	17,092	3,005	708	2,297	6,075	3,877	1,748	2,387
1971—Mar. 31	17,379	2,654	847	1,807	6,217	4,289	1,774	2,445
Apr. 30	17,409	2,603	862	1,741	6,248	4,339	1,775	2,445
Federal Reserve Banks:								
1968—Dec. 31	52,937	28,503	18,756	9,747	12,880	10,943	203	408
1969—Dec. 31	57,154	36,023	22,265	13,758	12,810	7,642	224	453
1970—Dec. 31	62,142	36,338	25,965	10,373	19,089	6,046	229	440
1971—Mar. 31	64,160	33,416	26,709	6,707	23,699	6,178	312	555
Apr. 30	63,721	32,964	26,321	6,643	23,735	6,141	316	564
Held by private investors:								
1968—Dec. 31	168,473	77,670	55,222	22,448	50,877	21,223	6,133	12,569
1969—Dec. 31	162,414	79,780	57,494	22,286	54,485	9,912	6,075	12,164
1970—Dec. 31	168,479	84,080	61,250	22,830	57,154	12,631	6,579	8,036
1971—Mar. 31	165,918	78,870	61,421	17,449	56,108	16,732	6,427	7,780
Apr. 30	164,758	77,899	60,321	17,578	56,007	16,719	6,400	7,733
Commercial banks:								
1968—Dec. 31	53,174	18,894	9,040	9,854	23,157	10,035	611	477
1969—Dec. 31	45,173	15,104	6,727	8,377	24,692	4,399	564	414
1970—Dec. 31	50,917	19,208	10,314	8,894	26,609	4,474	367	260
1971—Mar. 31	49,836	15,966	9,239	6,727	26,684	6,553	354	279
Apr. 30	48,713	14,697	8,146	6,551	26,914	6,495	355	252
Mutual savings banks:								
1968—Dec. 31	3,524	696	334	362	1,117	709	229	773
1969—Dec. 31	2,931	501	149	352	1,251	263	203	715
1970—Dec. 31	2,745	525	171	354	1,168	339	329	385
1971—Mar. 31	2,813	442	201	241	1,149	519	322	381
Apr. 30	2,815	438	197	241	1,131	534	332	380
Insurance companies:								
1968—Dec. 31	6,857	903	498	405	1,892	721	1,120	2,221
1969—Dec. 31	6,152	868	419	449	1,808	253	1,197	2,028
1970—Dec. 31	6,066	893	456	437	1,723	849	1,369	1,231
1971—Mar. 31	5,883	784	438	346	1,568	944	1,395	1,193
Apr. 30	5,848	699	375	324	1,577	999	1,395	1,178
Nonfinancial corporations:								
1968—Dec. 31	5,915	4,146	2,848	1,298	1,163	568	12	27
1969—Dec. 31	5,007	3,157	2,082	1,075	1,766	63	12	8
1970—Dec. 31	3,057	1,547	1,194	353	1,260	242	2	6
1971—Mar. 31	3,684	2,249	2,050	199	1,208	219	2	6
Apr. 30	3,041	1,653	1,486	167	1,157	181	5	44
Savings and loan associations:								
1968—Dec. 31	4,724	1,184	680	504	1,675	1,069	346	450
1969—Dec. 31	3,851	808	269	539	1,916	357	329	441
1970—Dec. 31	3,263	583	220	363	1,899	281	243	258
1971—Mar. 31	3,400	717	449	268	1,750	487	216	232
Apr. 30	3,321	679	450	229	1,692	519	205	226
State and local governments:								
1968—Dec. 31	13,426	5,323	4,231	1,092	2,347	805	1,404	3,546
1969—Dec. 31	13,909	6,416	5,200	1,216	2,853	524	1,225	2,893
1970—Dec. 31	11,204	5,184	3,803	1,381	2,458	774	1,191	1,598
1971—Mar. 31	11,649	5,629	4,562	1,067	2,427	958	1,138	1,497
Apr. 30	11,353	5,635	4,621	1,014	2,280	910	1,067	1,461
All others:								
1968—Dec. 31	80,853	46,524	37,591	8,933	19,526	7,316	2,411	5,075
1969—Dec. 31	85,391	52,926	42,648	10,278	20,199	4,053	2,545	5,665
1970—Dec. 31	91,227	56,140	45,092	11,048	22,037	5,672	3,078	4,298
1971—Mar. 31	88,653	53,083	44,482	8,601	21,322	7,052	3,000	4,192
Apr. 30	89,667	54,098	45,046	9,052	21,256	7,081	3,041	4,192

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Beginning with Dec. 1968, certain Govt.-sponsored but privately-owned agencies and certain Govt. deposit accounts have been removed from U.S. Govt. agencies and trust funds and added to "All others." Comparable data are not available for earlier periods.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks but for other groups are based on Treasury Survey data. Of total marketable issues held by groups, the proportion held on latest date by those reporting in the Survey and the number of owners surveyed were: (1) about 90 per cent by the 5,695 commercial banks, 491 mutual savings banks, and 743 insurance companies combined; (2) about 50 per cent by the 468 nonfinancial corporations and 487 savings and loan assns.; and (3) about 70 per cent by 503 State and local govts.

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

DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1–5 years	5–10 years	Over 10 years	Dealers and brokers: U.S. Govt. securities	Dealers and brokers: Other	Commercial banks	All other	
1970—Apr.	2,046	1,801	160	59	27	887	70	665	424	387
May	2,164	1,685	337	106	36	868	73	717	506	378
June	2,146	1,867	190	59	29	728	68	820	529	414
July	2,395	2,073	200	96	27	832	77	914	573	447
Aug.	2,121	1,578	372	146	25	722	74	820	505	398
Sept.	2,500	2,041	293	137	28	878	90	931	602	403
Oct.	2,768	2,266	284	190	28	1,018	109	1,094	547	569
Nov.	3,418	2,430	601	338	50	1,330	172	1,278	638	712
Dec.	2,590	2,043	343	153	52	949	123	1,025	493	428
1971—Jan.	3,482	2,629	564	248	40	1,346	130	1,364	642	671
Feb.	3,316	2,291	579	397	49	1,178	145	1,232	760	679
Mar.	3,072	2,122	506	388	57	1,036	143	1,204	688	567
Apr.	2,458	1,881	328	216	33	828	116	878	636	516
Week ending—										
1971—Apr. 7	2,633	1,960	354	290	29	848	143	966	676	502
14	2,736	1,972	449	268	48	931	161	967	677	612
21	2,134	1,681	303	125	25	755	89	827	463	297
28	2,062	1,691	171	169	33	638	69	723	631	654
May 5	3,111	2,211	671	192	37	1,104	127	952	929	448
12	2,019	1,464	346	178	31	755	97	624	542	368
19	2,232	1,539	386	282	27	778	109	703	643	474
26	2,378	1,866	307	179	26	913	88	811	566	597

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York. They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1–5 years	5–10 years	Over 10 years	
1970—Apr.	4,507	4,228	107	164	8	705
May	2,668	1,886	461	306	16	654
June	2,199	1,859	111	227	2	615
July	3,267	3,102	−18	171	13	828
Aug.	4,474	3,389	454	604	27	819
Sept.	4,020	3,326	246	433	16	724
Oct.	3,963	3,449	103	379	33	1,001
Nov.	4,760	3,399	617	682	62	1,066
Dec.	5,571	4,399	612	485	76	1,049
1971—Jan.	5,634	4,626	525	403	80	966
Feb.	4,655	3,320	569	691	75	946
Mar.	4,421	3,511	437	404	70	981
Apr.	4,870	4,019	415	416	20	1,118
Week ending—						
1971—Mar. 3	4,532	3,714	336	431	51	927
10	4,487	3,626	361	443	58	820
17	4,201	3,307	389	430	75	913
24	3,617	2,613	539	375	89	1,076
31	5,300	4,357	515	362	65	1,161
Apr. 7	6,478	5,465	536	432	44	1,247
14	5,123	4,310	417	385	13	1,141
21	4,567	3,757	394	404	13	1,050
28	3,878	3,060	382	424	12	1,108

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.

Average of daily figures based on number of trading days in the period.

DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corporations [1]	All other
		New York City	Elsewhere		
1970—Apr.	4,922	1,293	1,373	546	1,710
May	2,898	637	830	466	964
June	2,310	422	626	421	842
July	3,214	855	770	518	1,071
Aug.	4,900	1,526	1,168	834	1,373
Sept.	4,220	1,164	1,456	449	1,152
Oct.	4,233	1,370	1,232	392	1,240
Nov.	5,149	1,517	1,527	416	1,689
Dec.	5,949	1,868	1,960	379	1,742
1971—Jan.	6,198	1,888	1,695	527	2,088
Feb.	5,684	1,673	1,318	369	2,324
Mar.	4,543	1,356	926	399	1,862
Apr.	5,700	1,759	1,415	724	1,802
Week ending—					
1971—Mar. 3	4,721	1,567	1,210	240	1,704
10	4,839	1,599	1,287	458	1,494
17	4,599	1,143	784	371	2,300
24	4,111	1,297	728	415	1,670
31	4,547	1,293	803	414	2,038
Apr. 7	6,473	1,899	1,749	603	2,222
14	6,706	2,083	2,074	703	1,847
21	5,583	1,881	1,163	808	1,731
28	4,347	1,178	831	810	1,529

[1] All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.

U.S. GOVERNMENT MARKETABLE AND CONVERTIBLE SECURITIES, MAY 31, 1971

(In millions of dollars)

Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount
Treasury bills		**Treasury bills—Cont.**		**Treasury notes—Cont.**		**Treasury bonds—Cont.**	
May 31, 1971	1,701	Oct. 31, 1971	1,701	Apr. 1, 1973.....1½	34	Sept. 15, 1967–72..2½	1,951
June 3, 1971	3,300	Nov. 4, 1971	1,400	May 15, 1973.....7¾	5,843	Dec. 15, 1967–72..2½	2,562
June 10, 1971	3,301	Nov. 11, 1971	1,400	Aug. 15, 1973.....8⅛	1,839	Aug. 15, 1971.....4	2,806
June 17, 1971	3,301	Nov. 18, 1971	1,402	Oct. 1, 1973.....1½	30	Nov. 15, 1971.....3⅞	1,087
June 22, 1971†	2,515	Nov. 26, 1971	1,400	Feb. 15, 1974.....7¾	3,141	Feb. 15, 1972.....4	979
June 24, 1971	3,303	Nov. 30, 1971	1,702	Apr. 1, 1974.....1½	34	Aug. 15, 1972.....4	2,579
June 30, 1971	1,702	Dec. 31, 1971	1,702	May 15, 1974.....7¼	4,507	Aug. 15, 1973.....4	3,894
July 1, 1971	3,302	Jan. 31, 1972	1,700	Aug. 15, 1974.....5⅝	10,284	Nov. 15, 1973.....4⅛	4,344
July 8, 1971	3,402	Feb. 29, 1972	1,201	Oct. 1, 1974.....1½	42	Feb. 15, 1974.....4⅛	3,126
July 15, 1971	3,408	Mar. 31, 1972	1,200	Nov. 15, 1974.....5¾	7,211	May 15, 1974.....4¼	3,579
July 22, 1971	3,402	Apr. 30, 1972	1,200	Feb. 15, 1975.....5¾	5,148	Nov. 15, 1974.....3⅞	2,238
July 29, 1971	3,401			Apr. 1, 1975.....1½	8	May 15, 1975-85..4¼	1,212
July 31, 1971	1,703			May 15, 1975.....6	6,760	June 15, 1978-83..3¼	1,536
Aug. 5, 1971	3,406			Aug. 15, 1975.....5⅞	7,683	Feb. 15, 1980.....4	2,591
Aug. 12, 1971	3,400			Oct. 1, 1975.....1½	31	Nov. 15, 1980.....3½	1,904
Aug. 19, 1971	3,404	**Treasury notes**		Feb. 15, 1976.....6¼	3,739	May 15, 1985.....3¼	1,057
Aug. 26, 1971	3,503	Aug. 15, 1971.....8¼	2,257	Apr. 1, 1976.....1½	2	Aug. 15, 1987–92..4¼	3,805
Aug. 31, 1971	1,704	Oct. 1, 1971.....1½	72	May 15, 1976.....6½	2,697	Feb. 15, 1988-93..4	247
Sept. 2, 1971	1,401	Nov. 15, 1971.....5⅜	963	Aug. 15, 1976.....7½	4,194	May 15, 1989–94..4⅛	1,551
Sept. 9, 1971	1,401	Nov. 15, 1971.....7¾	5,836	Feb. 15, 1977.....8	5,163	Feb. 15, 1990.....3½	4,668
Sept. 16, 1971	1,401	Feb. 15, 1972.....4¾	797	Aug. 15, 1977.....7¾	2,263	Feb. 15, 1995.....3	1,201
Sept. 23, 1971	1,602	Feb. 15, 1972.....7½	2,684	Feb. 15, 1978.....6¼	8,387	Nov. 15, 1998.....3½	3,894
Sept. 30, 1971	3,303	Apr. 1, 1972.....1½	34				
Oct. 7, 1971	1,601	May 15, 1972.....4¾	5,310				
Oct. 14, 1971	1,600	May 15, 1972.....6¾	2,037			**Convertible bonds**	
Oct. 21, 1971	1,401	Aug. 15, 1972.....5	3,432	**Treasury bonds**		**Investment Series B**	
Oct. 28, 1971	1,401	Oct. 1, 1972.....1½	33	June 15, 1967–72..2½	1,232	Apr. 1, 1975-80..2¾	2,348

† Tax-anticipation series.

NOTE.—Direct public issues only. Based on Daily Statement of U.S. Treasury.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding): Total	Type of issue: General obligations	Type of issue: Revenue	Type of issue: HAA[1]	Type of issue: U.S. Govt. loans	Type of issuer: State	Type of issuer: Special district and stat. auth.	Type of issuer: Other[2]	Total amount delivered[3]	Issues for new capital: Total	Use of proceeds: Education	Use of proceeds: Roads and bridges	Use of proceeds: Utilities[4]	Use of proceeds: Housing[5]	Use of proceeds: Veterans' aid	Use of proceeds: Other purposes
1963	10,538	5,855	4,180	254	249	1,620	3,636	5,281	10,496	9,151	3,029	812	2,344	598	......	2,396
1964	10,847	6,417	3,585	637	208	1,628	3,812	5,407	10,069	10,201	3,392	688	2,437	727	120	2,838
1965	11,329	7,177	3,517	464	170	2,401	3,784	5,144	11,538	10,471	3,619	900	1,965	626	50	3,311
1966	11,405	6,804	3,955	325	312	2,590	4,110	4,695	....	11,303	3,738	1,476	1,880	533	......	3,667
1967	14,766	8,985	5,013	477	334	2,842	4,810	7,115	....	14,643	4,473	1,254	2,404	645	......	5,867
1968	16,596	9,269	6,517	528	282	2,774	5,946	7,884	....	16,489	4,820	1,526	2,833	787	......	6,523
1969	11,881	7,725	3,556	402	197	3,359	3,596	4,926	....	11,838	3,252	1,432	1,734	543	......	4,884
1970	18,164	11,850	6,082	131	103	4,174	5,595	8,399	....	18,110	5,062	1,532	3,525	466	......	7,526
1970—Apr.	1,647	1,217	416	....	15	303	345	1,001	....	1,647	473	167	292	12	......	703
May	996	674	315	....	7	254	311	433	....	987	298	30	367	11	......	281
June	1,085	651	423	....	12	165	379	543	....	1,085	528	61	147	8	......	342
July	1,348	1,055	288	....	4	388	229	730	....	1,348	268	130	142	4	......	803
Aug.	1,359	873	481	....	5	331	518	509	....	1,358	404	136	196	4	......	617
Sept.	1,758	1,207	541	....	9	534	536	688	....	1,756	491	137	243	21	......	864
Oct.	1,924	1,184	695	32	13	290	531	1,102	....	1,923	532	123	380	68	......	821
Nov.	1,748	892	753	99	5	247	765	736	....	1,743	523	63	364	12	......	683
Dec.	2,190	1,270	914	....	6	571	826	793	....	2,176	425	327	623	121	......	681
1971—Jan.r	2,702	1,611	968	121	2	577	1,135	990	....	2,691	508	390	428	373	......	992
Feb.r	1,833	1,225	600	....	7	585	610	638	....	1,817	518	133	315	123	......	727
Mar.	2,107	1,299	806	....	1	417	628	1,062	....	2,097	549	181	623	28	......	716
Apr.	1,888	1,338	545	....	5	440	492	958	....	1,845	501	66	462	19	......	797

[1] Only bonds sold pursuant to 1949 Housing Act, which are secured by *contract requiring the Housing Assistance Administration* to make annual contributions to the local authority.

[2] Municipalities, counties, townships, school districts.

[3] Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

[4] Water, sewer, and other utilities.

[5] Includes urban redevelopment loans.

NOTE.—The figures in the first column differ from those shown on the following page, which are based on *Bond Buyer* data. The principal difference is in the treatment of U.S. Govt. loans.

Investment Bankers Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.

Components may not add to totals due to rounding.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues[1]										
	Total	Noncorporate				Corporate					
		U.S. Govt.[2]	U.S. Govt. agency[3]	State and local (U.S.)[4]	Other[5]	Total	Bonds			Stock	
							Total	Publicly offered	Privately placed	Preferred	Common
1963	35,199	10,827	1,168	10,107	887	12,211	10,856	4,713	6,143	343	1,011
1964	37,122	10,656	1,205	10,544	760	13,957	10,865	3,623	7,243	412	2,679
1965	40,108	9,348	2,731	11,148	889	15,992	13,720	5,570	8,150	725	1,547
1966	45,015	8,231	6,806	11,089	815	18,074	15,561	8,018	7,542	574	1,939
1967	68,514	19,431	8,180	14,288	1,817	24,798	21,954	14,990	6,964	885	1,959
1968	65,562	18,025	7,666	16,374	1,531	21,966	17,383	10,732	6,651	637	3,946
1969	52,496	4,765	8,617	11,460	961	26,744	18,347	12,734	5,613	682	7,714
1970	88,664	14,831	16,180	17,762	949	38,944	30,264	25,384	4,880	1,388	7,292
1970—Mar.	6,799	461	1,201	1,504	94	3,539	2,385	1,914	471	90	1,064
Apr.	5,891	387	700	1,625	9	3,170	2,469	2,022	448	67	634
May	9,548	3,701	950	974	14	3,909	3,441	3,041	399	69	399
June	6,985	819	1,693	1,058	27	3,389	2,368	1,931	436	222	436
July	5,896	405	1,107	1,310	306	2,768	2,151	1,831	320	88	529
Aug.	8,155	3,573	915	1,318	76	2,273	1,935	1,731	205	92	246
Sept.	8,199	1,428	1,600	1,650	4	3,518	2,814	2,425	389	176	528
Oct.	8,353	412	2,169	1,882	113	3,777	2,694	2,390	303	180	903
Nov.	9,040	2,414	750	1,684	10	4,182	3,283	3,001	283	124	774
Dec.	7,651	401	924	2,245	100	3,980	3,270	2,436	834	168	541
1971—Jan.r	7,438	436	1,050	2,614	223	3,115	2,627	2,033	594	76	413
Feb.r	6,522	431	1,224	1,823	44	3,000	2,476	2,201	275	100	424
Mar.	11,069	517	1,300	2,104	1,073	6,075	4,782	4,135	647	311	982

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1963	3,202	313	676	150	948	9	2,259	418	953	152	2,818	313
1964	2,819	228	902	220	944	38	2,139	620	669	1,520	3,391	466
1965	4,712	704	1,153	251	953	60	2,332	604	808	139	3,762	514
1966	5,861	1,208	1,166	257	1,856	116	3,117	549	1,814	189	1,747	193
1967	9,894	1,164	1,950	117	1,859	466	4,217	718	1,786	193	2,247	186
1968	5,668	1,311	1,759	116	1,665	1,579	4,407	873	1,724	43	2,159	662
1969	4,448	1,904	1,888	3,022	1,899	247	5,409	1,326	1,963	225	2,739	1,671
1970	9,191	1,322	1,949	2,545	2,188	92	8,016	3,001	5,059	83	3,861	1,636
1970—Mar.	882	533	110	200	262	....	613	293	286	20	231	108
Apr.	616	73	283	276	154	....	939	170	56	6	421	176
May	801	17	113	338	63	....	535	65	1,747	....	182	49
June	896	42	124	396	117	2	673	430	353	1	204	151
July	602	36	232	162	215	8	624	219	143	....	335	191
Aug.	663	20	91	96	125	....	531	99	278	1	248	122
Sept.	937	56	118	228	145	....	904	337	443	2	266	81
Oct.	929	76	288	286	138	....	653	448	338	34	348	238
Nov.	927	180	147	129	170	7	845	505	693	....	502	78
Dec.	932	124	207	147	307	58	725	230	277	5	822	146
1971—Jan.r	647	69	259	239	167	....	608	68	391	....	555	112
Feb.r	644	17	72	112	89	1	752	317	672	11	248	66
Mar.	2,123	294	289	186	160	1	895	557	481	52	834	204

[1] Gross proceeds are derived by multiplying principal amounts or number of units by offering price.
[2] Includes guaranteed issues.
[3] Issues not guaranteed.
[4] See NOTE to table at bottom of preceding page.
[5] Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers [1]								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1966	19,799	7,541	12,258	15,629	4,542	11,088	4,169	3,000	1,169
1967	25,964	7,735	18,229	21,299	5,340	15,960	4,664	2,397	2,267
1968	25,439	12,377	13,062	19,381	5,418	13,962	6,057	6,959	−900
1969	28,841	10,813	18,027	19,523	5,767	13,755	9,318	5,045	4,272
1970	38,707	9,079	29,628	29,495	6,667	22,825	9,213	2,411	6,801
1969—IV	7,473	2,109	5,364	4,710	1,609	3,101	2,763	500	2,263
1970—I	7,272	2,185	5,086	4,987	1,507	3,480	2,285	679	1,606
II	10,114	2,227	7,886	7,876	1,545	6,330	2,238	682	1,556
III	9,385	2,089	7,297	7,598	1,546	6,051	1,788	542	1,245
IV	11,936	2,577	9,359	9,034	2,069	6,964	2,902	508	2,394

Period	Type of issuer											
	Manufacturing		Commercial and other [2]		Transportation [3]		Public utility		Communication		Real estate and financial [1]	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks
1966	4,324	32	616	−598	956	718	2,659	533	1,668	575	864	−90
1967	7,237	832	1,104	282	1,158	165	3,444	652	1,716	467	1,302	−130
1968	4,418	1,842	2,242	821	987	149	3,669	892	1,579	120	1,069	−741
1969	3,747	69	1,075	1,558	946	186	4,464	1,353	1,834	241	1,687	866
1970	6,641	870	853	1,778	1,104	36	6,861	2,917	4,806	94	2,564	1,107
1969—IV	266	484	181	580	97	41	1,447	467	551	87	559	605
1970—I	1,084	463	160	415	591	17	1,214	395	546	27	204	289
II	1,334	−6	343	633	64	−24	1,953	583	2,134	10	504	361
III	2,169	39	263	326	21	−15	1,917	750	991	6	691	139
IV	2,054	374	407	404	428	58	1,777	1,189	1,135	51	1,165	318

1 Excludes investment companies.
2 Extractive and commercial and miscellaneous companies.
3 Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on opposite page, new issues exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales [1]	Redemptions	Net sales	Total [2]	Cash position [3]	Other		Sales [1]	Redemptions	Net sales	Total [2]	Cash position [3]	Other
1958	1,620	511	1,109	13,242	634	12,608	1970 Apr.	371	306	65	42,785	3,909	38,876
1959	2,280	786	1,494	15,818	860	14,958	May	304	300	4	39,824	4,042	35,782
1960	2,097	842	1,255	17,026	973	16,053	June	364	197	167	38,459	4,396	34,230
							July	306	193	113	40,714	4,817	35,897
1961	2,951	1,160	1,791	22,789	980	21,809	Aug.	311	167	144	42,452	4,794	37,658
1962	2,699	1,123	1,576	21,271	1,315	19,956	Sept.	357	218	139	44,353	4,593	39,760
1963	2,460	1,504	952	25,214	1,341	23,873	Oct.	420	243	177	43,567	4,377	39,190
							Nov.	343	215	128	45,223	4,126	41,097
1964	3,404	1,875	1,528	29,116	1,329	27,787	Dec.	467	307	160	47,618	3,649	43,969
1965	4,359	1,962	2,395	35,220	1,803	33,417							
1966	4,671	2,005	2,665	34,829	2,971	31,858	1971—Jan.	487	242	245	50,251	3,663	46,588
							Feb.	349	322	27	51,300	3,600	47,700
1967	4,670	2,745	1,927	44,701	2,566	42,135	Mar.	468	425	43	53,618	3,328	50,290
1968	6,820	3,841	2,979	52,677	3,187	49,490	Apr.	547	394	153	55,883	3,046	52,837
1969	6,717	3,661	3,056	48,291	3,846	44,445							

1 Includes contractual and regular single purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
2 Market value at end of period less current liabilities.
3 Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

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

SALES, PROFITS, AND DIVIDENDS OF LARGE CORPORATIONS

(In millions of dollars)

Industry	1965	1966	1967	1968	1969	1968				1969[1]			
						I	II	III	IV	I	II	III	IV
Manufacturing													
Total (177 corps.):													
Sales	177,237	195,738	201,399	225,740	243,449	53,633	57,732	53,987	60,388	57,613	61,392	61,061	63,383
Profits before taxes	22,046	23,487	20,898	25,375	25,622	5,985	6,878	5,580	6,932	6,565	6,887	5,851	6,319
Profits after taxes	12,461	13,307	12,664	13,787	14,090	3,298	3,609	3,030	3,850	3,579	3,750	3,244	3,517
Dividends	6,527	6,920	6,989	7,271	7,757	1,716	1,731	1,746	2,078	1,838	1,916	1,885	2,118
Nondurable goods industries (78 corps.):[2]													
Sales	64,897	73,643	77,969	84,861	92,033	20,156	21,025	21,551	22,129	21,764	23,198	23,445	23,626
Profits before taxes	7,846	9,181	9,039	9,866	10,333	2,387	2,492	2,545	2,442	2,524	2,664	2,641	2,504
Profits after taxes	4,786	5,473	5,379	5,799	6,103	1,428	1,411	1,471	1,489	1,492	1,559	1,529	1,523
Dividends	2,527	2,729	3,027	3,082	3,289	743	751	763	825	812	808	820	849
Durable goods industries (99 corps.):[3]													
Sales	112,341	122,094	123,429	140,879	151,416	33,477	36,707	32,435	38,259	35,849	38,195	37,616	39,756
Profits before taxes	14,200	14,307	11,822	15,510	15,290	3,598	4,386	3,036	4,490	4,041	4,224	3,210	3,815
Profits after taxes	7,675	7,834	6,352	7,989	7,989	1,871	2,198	1,559	2,361	2,087	2,190	1,715	1,997
Dividends	4,000	4,191	3,964	4,189	4,469	972	981	983	1,253	1,026	1,108	1,065	1,270
Selected industries:													
Foods and kindred products (25 corps.):													
Sales	16,427	19,038	20,134	22,109	24,593	5,184	5,389	5,737	5,799	5,714	5,923	6,631	6,325
Profits before taxes	1,710	1,916	1,967	2,227	2,425	498	563	590	576	534	581	666	644
Profits after taxes	896	1,008	1,041	1,093	1,171	255	260	285	293	261	275	314	321
Dividends	509	564	583	616	661	150	155	155	156	162	165	164	170
Chemical and allied products (20 corps.):													
Sales	18,158	20,007	20,561	22,808	24,494	5,436	5,697	5,782	5,893	5,845	6,230	6,236	6,183
Profits before taxes	2,891	3,073	2,731	3,117	3,258	760	807	806	744	844	875	818	721
Profits after taxes	1,630	1,737	1,579	1,618	1,773	390	419	412	398	448	473	441	411
Dividends	926	948	960	1,002	1,031	236	236	243	287	252	251	254	274
Petroleum refining (16 corps.):													
Sales	17,828	20,887	23,258	24,218	25,586	5,890	6,013	6,100	6,214	6,107	6,610	6,264	6,605
Profits before taxes	1,962	2,681	3,004	2,866	2,941	767	692	740	667	726	728	750	737
Profits after taxes	1,541	1,898	2,038	2,206	2,224	592	520	561	534	562	558	554	550
Dividends	737	817	1,079	1,039	1,123	253	255	258	273	282	273	282	286
Primary metals and products (34 corps.):													
Sales	26,548	28,558	26,532	30,171	33,674	7,150	8,427	7,461	7,133	7,671	8,612	8,448	8,943
Profits before taxes	2,931	3,277	2,487	2,921	3,052	669	915	601	735	691	828	715	818
Profits after taxes	1,689	1,903	1,506	1,750	1,912	376	550	343	482	431	504	435	542
Dividends	818	924	892	952	987	224	230	233	264	242	245	247	253
Machinery (24 corps.):													
Sales	25,364	29,512	32,721	35,660	38,719	8,371	8,864	8,907	9,517	8,957	9,757	10,542	9,463
Profits before taxes	3,107	3,612	3,482	4,134	4,377	936	1,008	1,112	1,079	1,071	1,167	1,141	998
Profits after taxes	1,626	1,875	1,789	2,014	2,147	448	499	537	531	526	576	568	477
Dividends	774	912	921	992	1,128	247	248	248	249	270	271	293	294
Automobiles and equipment (14 corps.):													
Sales	42,712	43,641	42,306	50,526	52,290	12,343	13,545	9,872	14,767	13,328	13,638	11,300	14,024
Profits before taxes	6,253	5,274	3,906	5,916	5,268	1,507	1,851	640	1,918	1,663	1,542	652	1,411
Profits after taxes	3,294	2,877	1,999	2,903	2,604	783	847	330	943	806	750	342	706
Dividends	1,890	1,775	1,567	1,642	1,723	364	364	364	550	365	436	366	556
Public utility													
Railroad:													
Operating revenue	10,208	10,661	10,377	10,859	11,451	2,611	2,758	2,708	2,782	2,741	2,916	2,836	2,958
Profits before taxes	979	1,094	385	678	683	127	206	149	196	128	220	149	186
Profits after taxes	815	906	319	565	461	112	174	110	169	98	173	98	92
Dividends	468	502	538	515	488	117	132	100	166	116	136	100	136
Electric power:													
Operating revenue	15,816	16,959	17,954	19,421	21,075	5,106	4,553	4,869	4,892	5,480	4,913	5,370	5,312
Profits before taxes	4,213	4,414	4,547	4,789	4,938	1,351	1,040	1,271	1,125	1,384	1,065	1,366	1,123
Profits after taxes	2,586	2,749	2,908	3,002	3,186	863	641	764	733	873	707	827	779
Dividends	1,838	1,938	2,066	2,201	2,299	539	555	543	565	580	577	561	581
Telephone:													
Operating revenue	11,320	12,420	13,311	14,430	16,057	3,486	3,544	3,629	3,771	3,853	3,975	4,044	4,185
Profits before taxes	3,185	3,537	3,694	3,951	4,098	971	989	990	1,001	1,070	1,043	979	1,006
Profits after taxes	1,718	1,903	1,997	1,961	2,080	525	441	493	502	540	523	497	520
Dividends	1,153	1,248	1,363	1,428	1,493	351	318	396	363	368	371	373	381

[1] Manufacturing figures reflect changes by a number of companies in accounting methods and other reporting procedures.
[2] Includes 17 corporations in groups not shown separately.
[3] Includes 27 corporations in groups not shown separately.

NOTE.—*Manufacturing corporations:* Data are obtained primarily from published reports of companies.

Railroad: Interstate Commerce Commission data for Class I line-haul railroads.

Electric power: Federal Power Commission data for Class A and B electric utilities, except that quarterly figures on operating revenue and profits before taxes are partly estimated by the Federal Reserve to include affiliated nonelectric operations.

Telephone: Data obtained from Federal Communications Commission on revenues and profits for telephone operations of the Bell System Consolidated (including the 20 operating subsidiaries and the Long Lines and General Depts. of American Telephone and Telegraph Co.) and for two affiliated telephone companies. Dividends are for the 20 operating subsidiaries and the two affiliates.

All series: Profits before taxes are income after all charges and before Federal income taxes and dividends.

Back data available from the Division of Research and Statistics.

Series have been temporarily discontinued.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances[1]	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances[1]
1963	59.4	26.3	33.1	16.5	16.6	31.8	1969—III	89.9	42.1	47.9	25.0	22.9	50.1
1964	66.8	28.3	38.4	17.8	20.6	33.9	IV	88.5	41.4	47.1	25.2	21.9	51.0
1965	77.8	31.3	46.5	19.8	26.7	36.4							
1966	84.2	34.3	49.9	20.8	29.1	39.5	1970—I	82.6	38.0	44.6	25.2	19.4	52.0
							II	82.0	38.1	43.9	25.1	18.8	53.0
1967	79.8	33.2	46.6	21.4	25.3	43.0	III	84.4	38.9	45.4	25.4	20.0	54.0
1968	88.7	40.6	48.2	23.3	24.9	46.5	IV	76.3	34.8	41.4	25.1	16.3	55.0
1969	91.2	42.7	48.5	24.7	23.9	49.8							
1970	81.3	37.5	43.8	25.2	18.6	53.5	1971—I[p]	86.4	38.9	47.5	25.8	21.7	56.2

1 Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets							Current liabilities				
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt.[1]	Other				U.S. Govt.[1]	Other		
1963	163.5	351.7	46.5	20.2	3.6	156.8	107.0	17.8	188.2	2.5	130.4	16.5	38.7
1964	170.0	372.2	47.3	18.6	3.4	169.9	113.5	19.6	202.2	2.7	140.3	17.0	42.2
1965	180.7	410.2	49.9	17.0	3.9	190.2	126.9	22.3	229.6	3.1	160.4	19.1	46.9
1966	188.2	442.6	49.3	15.4	4.5	205.2	143.1	25.1	254.4	4.4	179.0	18.3	52.8
1967	198.9	470.4	54.1	12.7	5.1	216.0	153.4	29.0	271.4	5.8	190.6	14.1	60.8
1968	212.0	513.8	58.0	14.2	5.1	237.1	165.8	33.6	301.8	6.4	209.8	16.4	69.1
1969—II	215.6	534.5	55.4	13.5	4.8	248.6	175.2	36.9	318.9	7.2	220.1	15.0	76.5
III	213.8	544.7	53.9	12.4	4.6	256.3	180.0	37.4	330.9	7.5	227.9	15.9	79.6
IV	213.2	555.9	54.9	12.7	4.8	261.0	184.8	37.8	342.7	7.3	238.1	16.6	80.6
1970—I	213.3	561.0	52.9	12.5	4.7	264.5	188.0	38.5	347.7	7.2	238.4	18.0	84.2
II	213.6	566.3	52.5	10.7	4.4	268.7	190.2	39.9	352.7	7.0	244.1	14.6	87.1
III	214.0	567.6	53.7	9.3	4.2	270.0	191.8	38.5	353.6	6.8	243.0	15.4	88.3
IV	217.0	572.1	56.9	9.7	4.2	268.1	194.4	38.8	355.2	6.6	244.5	15.9	88.1

1 Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE.—Securities and Exchange Commission estimates; excludes banks, savings and loan assns., insurance companies, and investment companies.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other[1]	Total (S.A. A.R.)
		Durable	Nondurable		Railroad	Air	Other	Electric	Gas and other			
1964	46.97	9.28	10.07	1.34	1.66	1.02	1.50	3.97	1.51	4.61	12.02	....
1965	54.42	11.50	11.94	1.46	1.99	1.22	1.68	4.43	1.70	5.30	13.19	....
1966	63.51	14.96	14.14	1.62	2.37	1.74	1.64	5.38	2.05	6.02	14.48	....
1967	65.47	14.06	14.45	1.65	1.86	2.29	1.48	6.75	2.00	6.34	14.59	....
1968	67.76	14.12	14.25	1.63	1.45	2.56	1.59	7.66	2.54	6.83	15.14	....
1969	75.56	15.96	15.72	1.86	1.86	2.51	1.68	8.94	2.67	8.30	16.05	....
1970	79.71	15.80	16.15	1.89	1.78	3.03	1.23	10.65	2.49	10.10	16.59	....
1971[2 r]	81.85	14.67	15.93	1.99	1.73	1.82	1.45	12.89	2.43	11.23	17.71	....
1969—III	19.25	4.03	4.12	.47	.49	.53	.40	2.23	.80	2.11	4.07	77.84
IV	21.46	4.59	4.53	.49	.55	.64	.44	2.61	.62	2.39	4.60	77.84
1970—I	17.47	3.59	3.56	.45	.42	.73	.28	2.15	.39	2.14	3.76	78.22
II	20.33	4.08	4.07	.47	.47	.80	.31	2.59	.69	2.59	4.26	80.22
III	20.26	3.87	4.12	.46	.46	.74	.30	2.79	.78	2.56	4.16	81.88
IV	21.66	4.26	4.40	.50	.43	.76	.33	3.12	.63	2.81	4.42	78.63
1971—I	17.68	3.11	3.58	.49	.34	.34	.28	2.70	.41	2.50	3.94	79.32
II[2 r]	20.80	3.68	3.98	.52	.50	.61	.41	3.30	.60	7.21		82.38
III[2]	20.68	3.68	4.01	.49	.45	.36	.40	3.25	.77	7.26		82.83

1 Includes trade, service, construction, finance, and insurance.
2 Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

MORTGAGE DEBT OUTSTANDING

(In billions of dollars)

End of period	All properties: All holders	All properties: Financial institutions[1]	All properties: Other holders[2]: U.S. agencies	All properties: Other holders[2]: Individuals and others	Farm: All holders	Farm: Financial institutions[1]	Farm: Other holders[3]	Nonfarm: All holders	Nonfarm: 1- to 4-family houses[4]: Total	Nonfarm: 1- to 4-family houses[4]: Finan. institutions[1]	Nonfarm: 1- to 4-family houses[4]: Other holders	Nonfarm: Multifamily and commercial properties[5]: Total	Nonfarm: Multifamily and commercial properties[5]: Finan. institutions[1]	Nonfarm: Multifamily and commercial properties[5]: Other holders	Nonfarm: Mortgage type[6]: FHA—VA-underwritten	Nonfarm: Mortgage type[6]: Conventional
1941	37.6	20.7	4.7	12.2	6.4	1.5	4.9	31.2	18.4	11.2	7.2	12.9	8.1	4.8	3.0	28.2
1945	35.5	21.0	2.4	12.1	4.8	1.3	3.4	30.8	18.6	12.2	6.4	12.2	7.4	4.7	4.3	26.5
1964	300.1	241.0	11.4	47.7	18.9	7.0	11.9	281.2	197.6	170.3	27.3	83.6	63.7	19.9	77.2	204.0
1965	325.8	264.6	12.4	48.7	21.2	7.8	13.4	304.6	212.9	184.3	28.7	91.6	72.5	19.1	81.2	223.4
1966	347.4	280.8	15.8	50.9	23.3	8.4	14.9	324.1	223.6	192.1	31.5	100.5	80.2	20.3	84.1	240.0
1967	370.2	298.8	18.4	53.0	25.5	9.1	16.3	344.8	236.1	201.8	34.2	108.7	87.9	20.9	88.2	256.6
1968	397.5	319.9	21.7	55.8	27.5	9.7	17.8	370.0	251.2	213.1	38.1	118.7	97.1	21.6	92.8	277.2
1968—III	389.8	313.5	21.1	55.1	27.2	9.6	17.5	362.6	247.0	209.7	37.3	115.6	94.1	21.5	92.0	270.6
IV	397.5	319.9	21.7	55.8	27.5	9.7	17.8	370.0	251.2	213.1	38.1	118.7	97.1	21.6	92.8	277.2
1969—I	403.7	324.7	22.6	56.4	28.1	9.8	18.3	375.7	254.8	216.0	38.8	120.9	98.9	21.9	94.5	281.2
II	411.7	331.0	23.4	57.1	28.8	10.1	18.7	382.9	259.5	219.9	39.5	123.4	101.0	22.4	96.6	286.3
III	418.7	335.7	24.9	58.1	29.2	10.1	19.1	389.5	263.4	222.5	40.9	126.0	103.1	22.9	98.5	291.0
IV	425.3	339.1	26.8	59.4	29.5	9.9	19.6	395.9	266.8	223.6	43.2	129.0	105.5	23.5	100.2	295.7
1970—I	429.4	340.8	28.6	60.0	29.8	9.8	20.0	399.6	268.5	223.8	44.7	131.0	107.1	23.9	101.9	297.9
II r	435.6	344.6	30.0	61.0	30.3	9.8	20.5	405.2	271.7	225.7	46.0	133.5	109.1	24.5	103.2	302.3
III r	443.1	349.8	31.3	62.0	30.8	10.0	20.9	412.3	275.8	228.5	47.3	136.5	111.4	25.1	106.8	305.5
IV r	451.1	356.2	32.2	62.7	31.2	10.1	21.1	419.9	279.7	231.6	48.1	140.2	114.5	25.7	....	....

1 Commercial banks (including nondeposit trust companies but not trust depts.), mutual savings banks, life insurance companies, and savings and loan assns.

2 U.S. agencies include former FNMA and, beginning fourth quarter 1968, new GNMA as well as FHA, VA, PHA, Farmers Home Admin., and in earlier years, RFC, HOLC, and FFMC. They also include U.S. sponsored agencies—new FNMA and Federal land banks. Other agencies (amounts small or current separate data not readily available) included with "individuals and others."

3 Derived figures; includes debt held by Federal land banks and farm debt held by Farmers Home Admin.

4 For multifamily and total residential properties, see p. A-52.

5 Derived figures; includes small amounts of farm loans held by savings and loan assns.

6 Data by type of mortgage on nonfarm 1- to 4-family properties alone are shown on p. A-52.

NOTE.—Based on data from Federal Deposit Insurance Corp., Federal Home Loan Bank Board, Institute of Life Insurance, Depts. of Agriculture and Commerce, Federal National Mortgage Assn., Federal Housing Admin., Public Housing Admin., Veterans Admin., and Comptroller of the Currency.

Figures for first three quarters of each year are F.R. estimates.

MORTGAGE LOANS HELD BY BANKS

(In millions of dollars)

End of period	Commercial bank holdings[1]: Total	Commercial: Residential: Total	Commercial: Residential: FHA-insured	Commercial: Residential: VA-guaranteed	Commercial: Residential: Conventional	Commercial: Other nonfarm	Commercial: Farm	Mutual savings bank holdings[2]: Total	Mutual savings: Residential: Total	Mutual savings: Residential: FHA-insured	Mutual savings: Residential: VA-guaranteed	Mutual savings: Residential: Conventional	Mutual savings: Other nonfarm	Mutual savings: Farm
1941	4,906	3,292	....	....	....	1,048	566	4,812	3,884	....	....	....	900	28
1945	4,772	3,395	....	....	....	856	521	4,208	3,387	....	....	....	797	24
1964	43,976	28,933	7,315	2,742	18,876	12,405	2,638	40,556	36,487	12,287	11,121	13,079	4,016	53
1965	49,675	32,387	7,702	2,688	21,997	14,377	2,911	44,617	40,096	13,791	11,408	14,897	4,469	52
1966	54,380	34,876	7,544	2,599	24,733	16,366	3,138	47,337	42,242	14,500	11,471	16,272	5,041	53
1967	59,019	37,642	7,709	2,696	27,237	17,931	3,446	50,490	44,641	15,074	11,795	17,772	5,732	117
1968	65,696	41,433	7,926	2,708	30,800	20,505	3,758	53,456	46,748	15,569	12,033	19,146	6,592	117
1968—I	60,119	38,157	7,694	2,674	27,789	18,396	3,566	51,218	45,171	15,179	11,872	18,120	5,931	116
II	61,967	39,113	7,678	2,648	28,787	19,098	3,756	51,793	45,570	15,246	11,918	18,406	6,108	115
III	63,779	40,251	7,768	2,657	29,826	19,771	3,757	52,496	46,051	15,367	11,945	18,739	6,329	116
IV	65,696	41,433	7,926	2,708	30,800	20,505	3,758	53,456	46,748	15,569	12,033	19,146	6,592	117
1969—I	67,146	42,302	7,953	2,711	31,638	20,950	3,894	54,178	47,305	15,678	12,097	19,530	6,756	117
II	69,079	43,532	8,060	2,743	32,729	21,459	4,088	54,844	47,818	15,769	12,151	19,898	6,908	117
III	70,336	44,331	8,065	2,793	33,470	21,924	4,081	55,359	48,189	15,813	12,169	20,207	7,053	117
IV	70,705	44,573	7,960	2,663	33,950	22,113	4,019	56,138	48,682	15,862	12,166	20,654	7,342	114
1970—I	70,854	44,568	7,888	2,496	34,184	22,248	4,038	56,394	48,874	15,865	12,105	20,904	7,413	107
II p	71,291	44,845	7,800	2,575	34,469	22,392	4,054	56,880	49,260	15,931	12,092	21,237	7,519	101
III r	72,393	45,318	7,885	2,583	34,850	22,825	4,250	57,402	49,628	16,017	12,127	21,654	7,671	103
IV	73,275	45,640	7,919	2,589	35,131	23,284	4,351	r57,948	r49,937	16,087	12,008	21,842	7,893	119

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

2 Data for 1941 and 1945, except for totals, are special F.R. estimates.

NOTE.—Second and fourth quarters, Federal Deposit Insurance Corporation series for all commercial and mutual savings banks in the United States and possessions. First and third quarters, estimates based on special F.R. interpolations after 1963 or beginning 1964. For earlier years, the basis for first- and third-quarter estimates included F.R. commercial bank call report data and data from the National Assn. of Mutual Savings Banks.

MORTGAGE ACTIVITY OF LIFE INSURANCE COMPANIES

(In millions of dollars)

Period	Loans acquired						Loans outstanding (end of period)					
	Total	Nonfarm				Farm	Total	Nonfarm				Farm
		Total	FHA-insured	VA-guar-anteed	Other [1]			Total	FHA-insured	VA-guar-anteed	Other	
1945	976	....	....	....	....	....	6,637	5,860	1,394	....	4,466	766
1962	7,478	6,859	1,355	469	5,035	619	46,902	43,502	10,176	6,395	26,931	3,400
1963	9,172	8,306	1,598	678	6,030	866	50,544	46,752	10,756	6,401	29,595	3,792
1964	10,433	9,386	1,812	674	6,900	1,047	55,152	50,848	11,484	6,403	32,961	4,304
1965	11,137	9,988	1,738	553	7,697	1,149	60,013	55,190	12,068	6,286	36,836	4,823
1966	10,217	9,223	1,300	467	7,456	994	64,609	59,369	12,351	6,201	40,817	5,240
1967	8,470	7,633	757	444	6,432	837	67,516	61,947	12,161	6,122	43,664	5,569
1968	7,925	7,153	r755	346	r6,052	r722	69,973	64,172	r12,469	5,954	r45,749	5,801
1969 r	7,531	6,943	663	220	6,108	537	72,027	66,254	12,271	5,701	48,282	5,773
1970—Feb. r	597	573	27	7	545	24	72,448	66,756	11,674	5,666	49,416	5,692
Mar.	576	546	24	12	510	30	72,616	66,943	11,642	5,636	49,665	5,673
Apr.	524	493	31	4	458	31	72,793	67,121	11,621	5,609	49,891	5,672
May	521	502	39	9	454	19	72,982	67,320	11,606	5,583	50,131	5,662
June	549	522	25	5	492	27	73,165	67,498	11,569	5,556	50,373	5,667
July	551	531	50	5	476	20	73,352	67,687	11,561	5,528	50,598	5,665
Aug.	472	458	31	8	419	14	73,427	67,767	11,526	5,499	50,742	5,660
Sept.	520	489	31	6	452	31	73,540	67,875	11,486	5,467	50,922	5,665
Oct.	555	527	28	5	494	28	73,728	68,058	11,453	5,442	51,163	5,670
Nov.	553	533	37	6	490	20	73,848	68,189	11,436	5,416	51,337	5,659
Dec.	1,143	1,099	44	8	1,047	44	74,345	68,693	11,325	5,390	51,978	5,652
1971—Jan.	448	423	17	7	399	25	74,370	68,779	11,383	5,368	52,028	5,591
Feb.	449	425	17	5	407	24	74,437	68,871	11,338	5,346	52,187	5,566

[1] Includes mortgage loans secured by land on which oil drilling or extracting operations are in process.

NOTE.—Institute of Life Insurance data. For loans acquired, the monthly figures may not add to annual totals; and for loans outstanding the end-of-Dec. figures may differ from end-of-year figures because (1) monthly figures represent book value of ledger assets, whereas year-end figures represent annual statement asset values, and (2) data for year-end adjustments are more complete. Beginning 1970 monthly and year-earlier data are on a statement balance basis.

MORTGAGE ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

Period	Loans made			Loans outstanding (end of period)			
	Total [1]	New home con-struc-tion	Home pur-chase	Total [2]	FHA-in-sured	VA-guar-anteed	Con-ven-tional
1945	1,913	181	1,358	5,376	......	....	....
1963	25,173	7,185	10,055	90,944	4,696	6,960	79,288
1964	24,913	6,638	10,538	101,333	4,894	6,683	89,756
1965	24,192	6,013	10,830	110,306	5,145	6,398	98,763
1966	16,924	3,653	7,828	114,427	5,269	6,157	103,001
1967	20,122	4,243	9,604	121,805	5,791	6,351	109,663
1968	21,983	4,916	11,215	130,802	6,658	7,012	117,132
1969 r	21,847	4,757	11,254	140,347	7,917	7,658	124,772
1970	21,387	4,150	10,239	150,562	10,195	8,507	131,860
1970—Mar.	1,262	284	585	140,766	8,092	7,677	124,997
Apr.	1,400	325	627	141,252	8,184	7,712	125,356
May	1,586	373	741	141,975	8,325	7,761	125,889
June	2,086	398	1,017	143,103	8,579	7,862	126,662
July	2,080	393	1,071	143,103	8,579	7,862	r127,403
Aug.	2,111	369	1,147	145,296	9,011	8,050	r128,234
Sept.	2,183	388	1,100	146,418	9,224	8,115	129,079
Oct.	2,127	406	1,032	147,570	9,441	8,230	129,903
Nov.	1,972	355	919	148,896	9,226	8,336	130,794
Dec.	2,474	416	968	150,560	10,195	8,507	131,860
1971—Jan. r	1,667	307	752	151,503	10,473	8,673	132,357
Feb. r	1,887	346	818	152,665	10,810	8,766	133,089
Mar.	2,785	520	1,137	154,400	11,168	8,920	134,312

[1] Includes loans for repairs, additions and alterations, refinancing, etc. not shown separately.

[2] Beginning with 1958, includes shares pledged against mortgage loans; beginning with 1966, includes junior liens and real estate sold on contract; and beginning with 1967, includes downward structural adjustment for change in universe.

NOTE.—Federal Home Loan Bank Board data.

FEDERAL HOME LOAN BANKS

(In millions of dollars)

Period	Ad-vances	Repay-ments	Advances outstanding (end of period)			Members' deposits
			Total	Short-term [1]	Long-term [2]	
1945	278	213	195	176	19	46
1963	5,601	4,296	4,784	2,863	1,921	1,151
1964	5,565	5,025	5,325	2,846	2,479	1,199
1965	5,007	4,335	5,997	3,074	2,923	1,043
1966	3,804	2,866	6,935	5,006	1,929	1,036
1967	1,527	4,076	4,386	3,985	401	1,432
1968	2,734	1,861	5,259	4,867	392	1,382
1969	5,531	1,500	9,289	8,434	855	1,041
1970	3,256	1,929	10,615	3,081	7,534	2,331
1970—Mar.	136	388	9,745	8,501	1,243	985
Apr.	393	278	9,860	7,721	2,138	1,108
May	240	92	10,008	7,031	2,997	1,188
June	299	71	10,236	7,002	3,234	1,331
July	243	106	10,373	4,445	5,927	1,193
Aug.	179	106	10,446	3,967	6,478	1,238
Sept.	204	125	10,524	3,477	7,047	1,339
Oct. r	134	119	10,539	3,265	7,274	1,496
Nov. r	112	126	10,524	3,156	7,368	1,978
Dec.	224	134	10,615	3,081	7,534	2,331
1971—Jan.	43	331	10,326	2,924	7,403	2,750
Feb.	27	428	9,926	2,697	7,230	3,093
Mar.	30	266	9,690	2,814	6,876	3,423

[1] Secured or unsecured loans maturing in 1 year or less.

[2] Secured loans, amortized quarterly, having maturities of more than 1 year but not more than 10 years.

NOTE.—Federal Home Loan Bank Board data.

MORTGAGE DEBT OUTSTANDING ON RESIDENTIAL PROPERTIES

(In billions of dollars)

End of period	All residential			Multifamily[1]		
	Total	Financial institutions	Other holders	Total	Financial institutions	Other holders
1941	24.2	14.9	9.4	5.9	3.6	2.2
1945	24.3	15.7	8.6	5.7	3.5	2.2
1963	211.2	176.7	34.5	29.0	20.7	8.3
1964	231.1	195.4	35.7	33.6	25.1	8.5
1965	250.1	213.2	36.9	37.2	29.0	8.2
1966	264.0	223.7	40.3	40.3	31.5	8.8
1967p	280.0	236.6	43.4	43.9	34.7	9.2
1968p	298.6	250.8	47.8	47.3	37.7	9.6
1968—IV	298.6	250.8	47.8	47.3	37.7	9.6
1969—I	303.0	254.4	48.6	48.3	38.4	9.9
II	308.9	259.3	49.6	49.4	39.3	10.1
III	314.1	262.7	51.4	50.6	40.2	10.4
IV	319.0	265.0	54.0	52.2	41.3	10.9
1970—I	321.7	265.9	55.8	53.2	42.9	10.3
II	326.3	268.9	57.4	54.5	43.2	11.3
IIIp	331.8	272.8	59.0	56.1	44.2	11.9
IVp	337.6	277.3	60.3	57.9	45.7	12.2

1 Structures of five or more units.

NOTE.—Based on data from same source as for "Mortgage Debt Outstanding" table (second preceding page).

MORTGAGE DEBT OUTSTANDING ON NONFARM 1- to 4-FAMILY PROPERTIES

(In billions of dollars)

End of period	Total	Government-underwritten			Conventional
		Total	FHA-insured	VA-guaranteed[1]	
1954	18.6	4.3	4.1	.2	14.3
1963	182.2	65.9	35.0	30.9	116.3
1964	197.6	69.2	38.3	30.9	128.3
1965	212.9	73.1	42.0	31.1	139.8
1966	223.6	76.1	44.8	31.3	147.6
1967p	236.1	79.9	47.4	32.5	156.1
1968p	251.2	83.8	50.6	33.2	167.4
1968—I	239.1	81.0	48.1	32.9	158.1
II	243.2	82.1	48.7	33.4	161.1
III	247.0	83.2	49.6	33.6	163.8
IV	251.2	84.4	50.6	33.8	166.8
1969—I	254.8	85.3	51.4	33.9	169.5
II	259.5	87.1	52.2	34.9	172.3
III	263.5	88.8	53.4	35.4	174.6
IV	266.8	90.1	54.5	35.6	176.9
1970—I	268.5	91.6	55.6	36.0	177.1
II	271.7	92.1	56.1	36.0	179.9
IIIp	275.8	95.1	58.1	37.0	180.7
IVp	279.7	....	....	....	....

1 Includes outstanding amount of VA vendee accounts held by private investors under repurchase agreement.

NOTE.—For total debt outstanding, figures are FHLBB and F.R. estimates. For conventional, figures are derived.
Based on data from FHLBB, Federal Housing Admin., and Veterans Admin.

GOVERNMENT-UNDERWRITTEN RESIDENTIAL LOANS MADE

(In millions of dollars)

Period	FHA-insured					VA-guaranteed		
	Total	Mortgages: New homes	Mortgages: Existing homes	Projects[1]	Property improvements[2]	Total[3]	Mortgages: New homes	Mortgages: Existing homes
1945	665	257	217	20	171	192	....	....
1964	8,130	1,608	4,965	895	663	2,846	1,023	1,821
1965	8,689	1,705	5,760	591	634	2,652	876	1,774
1966	7,320	1,729	4,366	583	641	2,600	980	1,618
1967	7,150	1,369	4,516	642	623	3,405	1,143	2,259
1968	8,275	1,572	4,924	1,123	656	3,774	1,430	2,343
1969	9,129	1,551	5,570	1,316	693	4,072	1,493	2,579
1970	11,908	2,667	5,447	3,178	617	3,442	1,311	2,131
1970—May	943	176	351	367	48	238	98	140
June	1,097	218	478	336	64	263	99	164
July	1,087	230	475	319	62	298	109	189
Aug.	1,030	247	504	228	49	306	107	199
Sept.	1,099	268	521	247	63	326	110	216
Oct.	1,218	304	564	292	57	341	117	224
Nov.	1,055	273	497	240	45	318	106	212
Dec.	1,286	280	472	484	50	316	109	207
1971—Jan.	1,015	295	p476	202	41	297	102	195
Feb.	951	284	p450	184	32	256	90	166
Mar.	1,095	318	p531	199	46	....	....	....
Apr.p	1,136	293	p467	330	47	....	....	....

1 Monthly figures do not reflect mortgage amendments included in annual totals.
2 Not ordinarily secured by mortgages.
3 Includes a small amount of alteration and repair loans, not shown separately; only such loans in amounts of more than $1,000 need be secured.

NOTE.—Federal Housing Admin. and Veterans Admin. data. FHA-insured loans represent gross amount of insurance written; VA-guaranteed loans, gross amounts of loans closed. Figures do not take into account principal repayments on previously insured or guaranteed loans. For VA-guaranteed loans, amounts by type are derived from data on number and average amount of loans closed.

DELINQUENCY RATES ON HOME MORTGAGES

(Per 100 mortgages held or serviced)

End of period	Loans not in foreclosure but delinquent for—				Loans in foreclosure
	Total	30 days	60 days	90 days or more	
1963	3.30	2.32	.60	.38	.34
1964	3.21	2.35	.55	.31	.38
1965	3.29	2.40	.55	.34	.40
1966	3.40	2.54	.54	.32	.36
1967	3.47	2.66	.54	.27	.32
1968	3.17	2.43	.51	.23	.26
1969	3.22	2.43	.52	.27	.27
1966—IV	3.40	2.54	.54	.32	.36
1967—I	3.04	2.17	.56	.31	.38
II	2.85	2.14	.45	.26	.34
III	3.15	2.36	.52	.27	.31
IV	3.47	2.66	.54	.27	.32
1968—I	2.84	2.11	.49	.24	.32
II	2.89	2.23	.44	.22	.28
III	2.93	2.23	.48	.22	.26
IV	3.17	2.43	.51	.23	.26
1969—I	2.77	2.04	.49	.24	.26
II	2.68	2.06	.41	.21	.25
III	2.91	2.18	.47	.26	.25
IV	3.22	2.43	.52	.27	.27
1970—I	2.96	2.14	.52	.30	.31
II	2.83	2.10	.45	.28	.31
III	3.10	2.26	.53	.31	.25
IV	3.64	2.67	.61	.36	.33

NOTE.—Mortgage Bankers Association of America data from reports on 1- to 4-family FHA-insured, VA-guaranteed, and conventional mortgages held by more than 400 respondents, including mortgage bankers (chiefly), commercial banks, savings banks, and savings and loan associations.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION ACTIVITY

(In millions of dollars)

End of period	Mortgage holdings: Total	Mortgage holdings: FHA-insured	Mortgage holdings: VA-guaranteed	Mortgage transactions (during period): Purchases	Mortgage transactions (during period): Sales	Mortgage commitments: Made during period	Mortgage commitments: Outstanding
1967	3,348	2,756	592	860	....	1,045	1,171
1968	4,220	3,569	651	1,089	1	867	1,266
1969	4,820	4,220	600	827	....	615	1,130
1970	5,184	4,634	550	621	....	897	738
1970–Feb.	4,903	4,311	592	58	....	24	1,057
Mar.	4,938	4,350	588	53	....	95	1,014
Apr.	4,965	4,381	584	44	....	48	970
May	5,006	4,426	580	62	....	92	925
June	5,033	4,458	575	58	....	191	992
July	5,070	4,499	571	55	....	172	966
Aug.	5,102	4,535	567	54	....	123	802
Sept.	5,109	4,546	563	27	....	57	795
Oct.	5,132	4,573	559	46	....	42	775
Nov.	5,141	4,587	554	35	....	42	776
Dec.	5,184	4,634	550	70	....	37	738
1971–Jan.	5,188	4,641	546	35	....	27	705
Feb.	5,213	4,670	543	38	....	21	682
Mar.	5,241	4,703	538	56	....	100	707

NOTE.—Government National Mortgage Assn. data. Data prior to Sept. 1968 relate to Special Assistance and Management and Liquidating portfolios of former FNMA and include mortgages subject to participation pool of Government Mortgage Liquidation Trust, but exclude conventional mortgage loans acquired by former FNMA from the RFC Mortgage Co., the Defense Homes Corp., the Public Housing Admin., and Community Facilities Admin.

FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY

(In millions of dollars)

End of period	Mortgage holdings: Total	Mortgage holdings: FHA-insured	Mortgage holdings: VA-guaranteed	Mortgage transactions (during period): Purchases	Mortgage transactions (during period): Sales	Mortgage commitments: Made during period	Mortgage commitments: Outstanding
1967	5,522	4,048	1,474	1,400	12	1,736	501
1968	7,167	5,121	2,046	1,944	....	2,697	1,287
1969	10,950	7,680	3,270	4,121	....	6,630	3,539
1970	15,502	11,071	4,431	5,078	....	8,047	5,202
1970–Mar.	12,499	8,739	3,760	526	....	696	4,108
Apr.	12,949	9,069	3,880	485	....	592	4,152
May	13,287	9,324	3,962	374	....	817	4,510
June	13,658	9,610	4,047	434	....	712	4,709
July	14,084	9,936	4,148	470	....	532	4,684
Aug.	14,452	10,218	4,234	413	....	718	4,834
Sept.	14,807	10,499	4,308	406	....	650	4,849
Oct.	15,152	10,780	4,372	397	....	535	4,805
Nov.	15,396	10,981	4,416	294	....	541	4,930
Dec.	15,502	11,071	4,431	165	....	600	5,203
1971–Jan.	15,520	11,092	4,428	75	....	139	5,092
Feb.	15,448	11,057	4,391	61	....	....	....
Mar.	15,420	....	....	....	....	....	....

NOTE.—Federal National Mortgage Assn. data. Data prior to Sept. 1968 relate to secondary market portfolio of former FNMA. Mortgage commitments made during the period include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4- family loan commitments accepted in FNMA's free market auction system.

HOME-MORTGAGE YIELDS

(In per cent)

Period	Primary market (conventional loans): FHLBB series (effective rate): New homes	Primary market: FHLBB series (effective rate): Existing homes	Primary market: FHA series: New homes	Secondary market: Yield on FHA-insured new home loans
1967	6.46	6.52	6.53	6.55
1968	6.97	7.03	7.12	7.21
1969	7.81	7.82	7.99	8.26
1970	8.44	8.35	8.52	9.05
1970—Apr.	8.41	8.34	8.55	9.10
May	8.45	8.34	8.55	9.11
June	8.48	8.36	8.55	9.16
July	8.49	8.37	8.60	9.11
Aug.	8.52	8.41	8.60	9.07
Sept.	8.48	8.42	8.50	9.01
Oct.	8.51	8.35	8.50	8.97
Nov.	8.43	8.32	8.45	8.90
Dec.	8.38	8.26	8.30	8.40
1971—Jan.	8.18	8.08	7.95	....
Feb.	7.91	7.80	7.75	....
Mar.	7.66	7.60	7.60	7.32
Apr.	7.48	7.47	7.55	7.37

NOTE.—Annual data are averages of monthly figures. The FHA data are based on opinion reports submitted by field offices on prevailing local conditions as of the first of the succeeding month. Yields on FHA-insured mortgages are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates. The FHA series on average contract interest rates on conventional first mortgages in primary markets are unweighted and are rounded to the nearest 5 basis points. The FHLBB effective rate series reflects fees and charges as well as contract rates (as shown in the table on conventional first-mortgage terms, p. A-35) and an assumed prepayment at end of 10 years

FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY UNDER FREE MARKET SYSTEM

Date of auction	Mortgage amounts: Offered	Accepted: Total	Accepted by commitment period (in months): 3	6	12-18	Implicit yield, by commitment period (in months): 3	6	12-18
	In millions of dollars					In per cent		
1970—Oct. 5	267.5	149.8	62.2	73.1	14.5	8.90	8.92	8.97
19	352.5	149.7	53.2	88.1	8.4	8.89	8.90	8.95
Nov. 2	341.5	181.2	100.0	62.4	18.7	8.90	8.93	8.93
16	222.4	170.3	75.8	79.4	15.1	8.89	8.90	8.92
Dec. 7	166.5	127.8	54.7	60.9	12.2	8.56	8.54	8.57
14	165.1	124.7	42.1	72.1	10.5	8.51	8.43	8.47
1971—Jan. 25	44.1	35.5	9.9	25.6	......	7.82	7.96	8.40
Feb. 8	23.4	23.3	10.6	12.7	......	7.67	7.67	......
Mar. 1	185.6	51.8	15.2	29.3	7.3	7.43	7.43	7.56
15	193.5	74.0	17.9	41.2	14.9	7.32	7.44	7.54
29	122.5	67.0	36.7	26.3	3.9	7.32	7.45	7.55
Apr. 12	126.9	54.6	39.8	9.4	5.4	7.32	7.45	7.53
26	687.2	313.9	154.0	126.6	33.4	7.43	7.54	7.57
May 10	1,168.0	236.8	145.7	71.3	19.7	7.57	7.68	7.74
24	785.7	151.6	44.6	84.4	22.5	7.95	7.97	8.03
June 1	322.4	146.6	77.1	57.8	11.6	8.05	8.18	8.16

NOTE.—Implicit secondary market yields are gross—before deduction of 38-basis-point fee paid for mortgage servicing. They reflect the average accepted bid yield for Govt.-underwritten mortgages after adjustment by Federal Reserve to allow for FNMA commitment fees and FNMA stock purchase and holding requirements, assuming a prepayment period of 15 years for 30-year loans. Commitments for 12–18 months are for new homes only.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment					Noninstalment			
		Total	Auto-mobile paper	Other consumer goods paper	Repair and mod-ernization loans [1]	Personal loans	Total	Single-payment loans	Charge accounts	Service credit
1939	7,222	4,503	1,497	1,620	298	1,088	2,719	787	1,414	518
1941	9,172	6,085	2,458	1,929	376	1,322	3,087	845	1,645	597
1945	5,665	2,462	455	816	182	1,009	3,203	746	1,612	845
1950	21,471	14,703	6,074	4,799	1,016	2,814	6,768	1,821	3,367	1,580
1955	38,830	28,906	13,460	7,641	1,693	6,112	9,924	3,002	4,795	2,127
1960	56,141	42,968	17,658	11,545	3,148	10,617	13,173	4,507	5,329	3,337
1965	90,314	71,324	28,619	18,565	3,728	20,412	18,990	7,671	6,430	4,889
1966	97,543	77,539	30,556	20,978	3,818	22,187	20,004	7,972	6,686	5,346
1967	102,132	80,926	30,724	22,395	3,789	24,018	21,206	8,428	6,968	5,810
1968	113,191	89,890	34,130	24,899	3,925	26,936	23,301	9,138	7,755	6,408
1969	122,469	98,169	36,602	27,609	4,040	29,918	24,300	9,096	8,234	6,970
1970	126,802	101,161	35,490	29,949	4,110	31,612	25,641	9,484	8,850	7,307
1970—Apr.	120,402	97,104	36,264	26,850	3,960	30,030	23,298	9,102	6,900	7,296
May	121,346	97,706	36,455	27,055	4,003	30,193	23,640	9,159	7,273	7,208
June	122,542	98,699	36,809	27,303	4,040	30,547	23,843	9,239	7,473	7,131
July	123,092	99,302	36,918	27,538	4,081	30,765	23,790	9,254	7,509	7,027
Aug.	123,655	99,860	36,908	27,801	4,104	31,047	23,795	9,294	7,508	6,993
Sept.	123,907	100,142	36,738	28,055	4,123	31,226	23,765	9,316	7,489	6,960
Oct.	123,866	99,959	36,518	28,152	4,126	31,163	23,907	9,313	7,656	6,938
Nov.	123,915	99,790	36,011	28,378	4,133	31,268	24,125	9,345	7,757	7,023
Dec.	126,802	101,161	35,490	29,949	4,110	31,612	25,641	9,484	8,850	7,307
1971—Jan.	125,077	100,101	35,004	29,575	4,067	31,455	24,976	9,480	8,094	7,402
Feb.	123,815	99,244	34,869	28,928	4,051	31,396	24,571	9,506	7,353	7,712
Mar.	123,604	99,168	35,028	28,591	4,045	31,504	24,436	9,557	7,207	7,672
Apr.	125,047	100,028	35,496	28,682	4,077	31,773	25,019	9,676	7,689	7,654

[1] Holdings of financial institutions; holdings of retail outlets are included in "other consumer goods paper."

NOTE.—Consumer credit estimates cover loans to individuals for household, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and pp. 983–1003 of the BULLETIN for Dec. 1968.

INSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Financial institutions					Retail outlets		
		Total	Com-mercial banks	Finance cos. [1]	Credit unions	Mis-cellaneous lenders [1]	Total	Auto-mobile dealers [2]	Other retail outlets
1939	4,503	3,065	1,079	1,836	132	18	1,438	123	1,315
1941	6,085	4,480	1,726	2,541	198	15	1,605	188	1,417
1945	2,462	1,776	745	910	102	19	686	28	658
1950	14,703	11,805	5,798	5,315	590	102	2,898	287	2,611
1955	28,906	24,398	10,601	11,838	1,678	281	4,508	487	4,021
1960	42,968	36,673	16,672	15,435	3,923	643	6,295	359	5,936
1965	71,324	61,533	28,962	24,282	7,324	965	9,791	315	9,476
1966	77,539	66,724	31,319	26,091	8,255	1,059	10,815	277	10,538
1967	80,926	69,490	32,700	26,734	8,972	1,084	11,436	285	11,151
1968	89,890	77,457	36,952	29,098	10,178	1,229	12,433	320	12,113
1969	98,169	84,982	40,305	31,734	11,594	1,349	13,187	336	12,851
1970	101,161	87,064	41,895	31,123	12,500	1,546	14,097	327	13,770
1970—Apr.	97,104	84,802	40,245	31,537	11,644	1,376	12,302	332	11,970
May	97,706	85,335	40,515	31,595	11,778	1,447	12,371	333	12,038
June	98,699	86,311	40,979	31,862	12,030	1,440	12,388	336	12,052
July	99,302	86,876	41,703	31,561	12,141	1,471	12,426	337	12,089
Aug.	99,860	87,315	41,934	31,588	12,292	1,501	12,545	337	12,208
Sept.	100,142	87,471	42,051	31,510	12,409	1,501	12,671	337	12,334
Oct.	99,959	87,243	42,010	31,309	12,422	1,502	12,716	335	12,381
Nov.	99,790	86,820	41,740	31,081	12,438	1,561	12,970	332	12,638
Dec.	101,161	87,064	41,895	31,123	12,500	1,546	14,097	327	13,770
1971—Jan.	100,101	86,308	41,611	30,791	12,353	1,553	13,793	324	13,469
Feb.	99,244	85,910	41,446	30,511	12,351	1,602	13,334	323	13,011
Mar.	99,168	86,015	41,563	30,326	12,509	1,617	13,153	325	12,828
Apr.	100,028	86,805	42,094	30,369	12,686	1,656	13,223	330	12,893

[1] Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies. Miscellaneous lenders include savings and loan associations and mutual savings banks.

[2] Automobile paper only; other instalment credit held by automobile dealers is included with "other retail outlets."

See also NOTE to table above.

INSTALMENT CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Automobile paper		Other consumer goods paper	Repair and modernization loans	Personal loans
		Purchased	Direct			
1939	1,079	237	178	166	135	363
1941	1,726	447	338	309	161	471
1945	745	66	143	114	110	312
1950	5,798	1,177	1,294	1,456	834	1,037
1955	10,601	3,243	2,062	2,042	1,338	1,916
1960	16,672	5,316	2,820	2,759	2,200	3,577
1965	28,962	10,209	5,659	4,166	2,571	6,357
1966	31,319	11,024	5,956	4,681	2,647	7,011
1967	32,700	10,927	6,267	5,126	2,629	7,751
1968	36,952	12,213	7,105	6,060	2,719	8,855
1969	40,305	12,784	7,620	7,415	2,751	9,735
1970	41,895	12,433	7,587	8,633	2,760	10,482
1970—Apr.	40,245	12,550	7,598	7,568	2,685	9,844
May	40,515	12,600	7,635	7,667	2,705	9,908
June	40,979	12,680	7,722	7,828	2,731	10,018
July	41,703	13,002	7,759	8,078	2,755	10,109
Aug.	41,934	12,981	7,748	8,183	2,770	10,252
Sept.	42,051	12,890	7,734	8,263	2,783	10,381
Oct.	42,010	12,824	7,730	8,286	2,785	10,385
Nov.	41,740	12,628	7,654	8,299	2,779	10,380
Dec.	41,895	12,433	7,587	8,633	2,760	10,482
1971—Jan.	41,611	12,253	7,530	8,613	2,727	10,488
Feb.	41,446	12,165	7,561	8,535	2,704	10,481
Mar.	41,563	12,147	7,667	8,499	2,692	10,558
Apr.	42,094	12,268	7,825	8,595	2,702	10,704

See NOTE to first table on preceding page.

INSTALMENT CREDIT HELD BY FINANCE COMPANIES

(In millions of dollars)

End of period	Total	Automobile paper	Other consumer goods paper	Repair and modernization loans	Personal loans
1939	1,836	932	134	151	619
1941	2,541	1,438	194	204	705
1945	910	202	40	62	606
1950	5,315	3,157	692	80	1,386
1955	11,838	7,108	1,448	42	3,240
1960	15,435	7,703	2,553	173	5,006
1965	24,282	9,400	4,425	224	10,233
1966	26,091	9,889	5,171	191	10,840
1967	26,734	9,538	5,479	154	11,563
1968	29,098	10,279	5,999	113	12,707
1969	31,734	11,053	6,514	106	14,061
1970	31,123	9,941	6,648	94	14,440
1970—Apr.	31,537	10,949	6,478	101	14,009
May	31,595	10,990	6,505	99	14,001
June	31,862	11,073	6,560	98	14,131
July	31,561	10,771	6,499	96	14,195
Aug.	31,588	10,732	6,529	94	14,233
Sept.	31,510	10,619	6,568	94	14,229
Oct.	31,309	10,465	6,594	94	14,156
Nov.	31,081	10,226	6,548	94	14,213
Dec.	31,123	9,941	6,648	94	14,440
1971—Jan.	30,791	9,754	6,605	93	14,339
Feb.	30,511	9,672	6,493	93	14,253
Mar.	30,326	9,674	6,363	93	14,196
Apr.	30,369	9,781	6,280	98	14,210

NOTE.—Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies.

INSTALMENT CREDIT HELD BY OTHER FINANCIAL LENDERS

(In millions of dollars)

End of period	Total	Automobile paper	Other consumer goods paper	Repair and modernization loans	Personal loans
1939	150	27	5	12	106
1941	213	47	9	11	146
1945	121	16	4	10	91
1950	692	159	40	102	391
1955	1,959	560	130	313	956
1960	4,566	1,460	297	775	2,034
1965	8,289	3,036	498	933	3,822
1966	9,314	3,410	588	980	4,336
1967	10,056	3,707	639	1,006	4,704
1968	11,407	4,213	727	1,093	5,374
1969	12,943	4,809	829	1,183	6,122
1970	14,046	5,202	898	1,256	6,690
1970—Apr.	13,020	4,835	834	1,174	6,177
May	13,225	4,897	845	1,199	6,284
June	13,470	4,998	863	1,211	6,398
July	13,612	5,049	872	1,230	6,461
Aug.	13,793	5,110	881	1,240	6,562
Sept.	13,910	5,158	890	1,246	6,616
Oct.	13,924	5,164	891	1,247	6,622
Nov.	13,999	5,171	893	1,260	6,675
Dec.	14,046	5,202	898	1,256	6,690
1971—Jan.	13,906	5,143	888	1,247	6,628
Feb.	13,953	5,148	889	1,254	6,662
Mar.	14,126	5,215	901	1,260	6,750
Apr.	14,342	5,292	914	1,277	6,859

NOTE.—Other financial lenders consist of credit unions and miscellaneous lenders.

NONINSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Single-payment loans		Charge accounts		Service credit
		Commercial banks	Other financial institutions	Retail outlets	Credit cards[1]	
1939	2,719	625	162	1,414	....	518
1941	3,087	693	152	1,645	....	597
1945	3,203	674	72	1,612	....	845
1950	6,768	1,576	245	3,291	76	1,580
1955	9,924	2,635	367	4,579	216	2,127
1960	13,173	3,884	623	4,893	436	3,337
1965	18,990	6,690	981	5,724	706	4,889
1966	20,004	6,946	1,026	5,812	874	5,346
1967	21,206	7,340	1,088	5,939	1,029	5,810
1968	23,301	7,975	1,163	6,450	1,305	6,408
1969	24,300	7,900	1,196	6,650	1,584	6,970
1970	25,641	8,205	1,279	6,932	1,918	7,307
1970—Apr.	23,298	7,892	1,210	5,289	1,611	7,296
May	23,640	7,925	1,234	5,633	1,640	7,208
June	23,843	8,005	1,234	5,765	1,708	7,131
July	23,790	8,005	1,249	5,727	1,782	7,027
Aug.	23,795	8,041	1,253	5,664	1,844	6,993
Sept.	23,765	8,062	1,254	5,617	1,872	6,960
Oct.	23,907	8,059	1,254	5,797	1,859	6,938
Nov.	24,125	8,071	1,274	5,884	1,873	7,023
Dec.	25,641	8,205	1,279	6,932	1,918	7,307
1971—Jan.	24,976	8,196	1,284	6,144	1,950	7,402
Feb.	24,571	8,205	1,301	5,435	1,918	7,712
Mar.	24,436	8,249	1,308	5,316	1,891	7,672
Apr.	25,019	8,350	1,326	5,774	1,915	7,654

[1] Service station and miscellaneous credit-card accounts and home-heating-oil accounts. Bank credit card accounts outstanding are included in estimates of instalment credit outstanding.

See also NOTE to first table on preceding page.

INSTALMENT CREDIT EXTENDED AND REPAID, BY TYPE OF CREDIT

(In millions of dollars)

Period	Total		Automobile paper		Other consumer goods paper		Repair and modernization loans		Personal loans	
	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.
	Extensions									
1965	....	78,586	....	27,227	....	22,750	....	2,266	....	26,343
1966	....	82,335	....	27,341	....	25,591	....	2,200	....	27,203
1967	....	84,693	....	26,667	....	26,952	....	2,113	....	28,961
1968	....	97,053	....	31,424	....	30,593	....	2,268	....	32,768
1969	....	102,888	....	32,354	....	33,079	....	2,278	....	35,177
1970	....	104,130	....	29,831	....	36,781	....	2,145	....	35,373
1970—Apr.	8,491	8,773	2,571	2,776	2,843	2,792	183	185	2,894	3,020
May	9,004	8,857	2,595	2,696	3,183	3,008	180	213	3,046	2,940
June	8,683	9,534	2,587	3,023	2,925	3,019	189	220	2,982	3,272
July	9,065	9,497	2,685	2,952	3,124	3,141	192	220	3,064	3,184
Aug.	8,809	8,915	2,537	2,540	3,168	3,152	173	197	2,931	3,026
Sept.	8,849	8,580	2,621	2,402	3,071	3,097	186	194	2,971	2,887
Oct.	8,580	8,670	2,349	2,463	3,113	3,200	182	184	2,936	2,823
Nov.	8,414	8,271	2,127	2,006	3,113	3,147	180	176	2,994	2,942
Dec.	8,536	10,194	2,170	2,045	3,281	4,562	177	149	2,908	3,438
1971—Jan.	8,916	7,545	2,461	1,997	3,252	2,868	177	122	3,026	2,558
Feb.	9,081	7,489	2,687	2,336	3,204	2,431	197	155	2,993	2,567
Mar.	9,533	9,575	2,897	3,074	3,210	3,076	209	197	3,217	3,228
Apr.	9,751	10,079	2,872	3,100	3,415	3,363	205	219	3,259	3,397
	Repayments									
1965	....	69,957	....	23,543	....	20,518	....	2,116	....	23,780
1966	....	76,120	....	25,404	....	23,178	....	2,110	....	25,428
1967	....	81,306	....	26,499	....	25,535	....	2,142	....	27,130
1968	....	88,089	....	28,018	....	28,089	....	2,132	....	29,850
1969	....	94,609	....	29,882	....	30,369	....	2,163	....	32,195
1970	....	101,138	....	30,943	....	34,441	....	2,075	....	33,679
1970—Apr.	8,195	8,331	2,527	2,600	2,729	2,756	173	176	2,766	2,799
May	8,589	8,255	2,600	2,505	2,888	2,803	174	170	2,927	2,777
June	8,242	8,541	2,573	2,669	2,750	2,771	174	183	2,745	2,918
July	8,622	8,894	2,752	2,843	2,874	2,906	170	179	2,826	2,966
Aug.	8,577	8,357	2,632	2,550	2,967	2,889	175	174	2,803	2,744
Sept.	8,490	8,298	2,599	2,572	2,913	2,843	174	175	2,804	2,708
Oct.	8,662	8,853	2,550	2,683	3,036	3,103	179	181	2,897	2,886
Nov.	8,716	8,440	2,577	2,513	3,082	2,921	176	169	2,881	2,837
Dec.	8,515	8,823	2,618	2,566	2,945	2,991	175	172	2,777	3,094
1971—Jan.	8,829	8,605	2,623	2,483	3,145	3,242	175	165	2,886	2,715
Feb.	8,979	8,346	2,636	2,471	3,212	3,078	188	171	2,943	2,626
Mar.	9,038	9,651	2,696	2,915	3,164	3,413	196	203	2,982	3,120
Apr.	9,088	9,219	2,566	2,632	3,249	3,272	184	187	3,089	3,128
	Net change in credit outstanding [2]									
1965	....	8,629	....	3,684	....	2,232	....	150	....	2,563
1966	....	6,215	....	1,937	....	2,413	....	90	....	1,775
1967	....	3,387	....	168	....	1,417	....	−29	....	1,831
1968	....	8,964	....	3,406	....	2,504	....	136	....	2,918
1969	....	8,279	....	2,472	....	2,710	....	115	....	2,982
1970	....	2,992	....	−1,112	....	2,340	....	70	....	1,694
1970—Apr.	296	442	44	176	114	36	10	9	128	221
May	415	602	−5	191	295	205	6	43	119	163
June	441	993	14	354	175	248	15	37	237	354
July	443	603	−67	109	250	235	22	41	238	218
Aug.	232	558	−95	−10	201	263	−2	23	128	282
Sept.	359	282	22	−170	158	254	12	19	167	179
Oct.	−82	−183	−201	−220	77	97	3	3	39	−63
Nov.	−302	−169	−450	−507	31	226	4	7	113	105
Dec.	21	1,371	−448	−521	336	1,571	2	−23	131	344
1971—Jan.	87	−1,060	−162	−486	107	−374	2	−43	140	−157
Feb.	102	−857	51	−135	−8	−647	9	−16	50	−59
Mar.	495	−76	201	159	46	−337	13	−6	235	108
Apr.	663	860	306	468	166	91	21	32	170	269

[1] Includes adjustments for differences in trading days.
[2] Net changes in credit outstanding are equal to extensions less repayments.

NOTE.—Estimates are based on accounting records and often include financing charges. Renewals and refinancing of loans, purchases and sales of instalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and pp. 983–1003 of the BULLETIN for Dec. 1968.

INSTALMENT CREDIT EXTENDED AND REPAID, BY HOLDER

(In millions of dollars)

Period	Total		Commercial banks		Finance companies		Other financial lenders		Retail outlets	
	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.
					Extensions					
1965	....	78,586	....	29,528	....	25,192	....	9,436	....	14,430
1966	....	82,335	....	30,073	....	25,406	....	10,362	....	16,494
1967	....	84,693	....	30,850	....	25,496	....	10,911	....	17,436
1968	....	97,053	....	36,332	....	28,836	....	12,850	....	19,035
1969	....	102,888	....	38,533	....	30,854	....	14,245	....	19,256
1970	....	104,130	....	39,136	....	29,662	....	14,619	....	20,713
1970—Apr.	8,491	8,773	3,208	3,450	2,502	2,581	1,198	1,229	1,583	1,513
May	9,004	8,857	3,291	3,341	2,639	2,503	1,252	1,309	1,822	1,704
June	8,683	9,534	3,262	3,643	2,616	2,912	1,233	1,407	1,572	1,572
July	9,065	9,497	3,382	3,697	2,590	2,731	1,365	1,418	1,728	1,651
Aug.	8,809	8,915	3,308	3,385	2,427	2,416	1,235	1,318	1,839	1,796
Sept.	8,849	8,580	3,417	3,352	2,441	2,300	1,265	1,212	1,726	1,716
Oct.	8,580	8,670	3,276	3,301	2,371	2,387	1,221	1,187	1,712	1,795
Nov.	8,414	8,271	3,159	2,885	2,300	2,342	1,184	1,150	1,771	1,894
Dec.	8,536	10,194	3,326	3,390	2,240	2,795	1,187	1,206	1,783	2,803
1971—Jan.	8,916	7,545	3,338	2,885	2,411	1,961	1,288	1,055	1,879	1,644
Feb.	9,081	7,489	3,478	2,988	2,513	2,121	1,282	1,117	1,808	1,263
Mar.	9,533	9,575	3,646	3,783	2,681	2,686	1,394	1,418	1,812	1,688
Apr.	9,751	10,079	3,676	3,948	2,624	2,672	1,475	1,552	1,976	1,907
					Repayments					
1965	....	69,957	....	25,663	....	22,551	....	8,310	....	13,433
1966	....	76,120	....	27,716	....	23,597	....	9,337	....	15,470
1967	....	81,306	....	29,469	....	24,853	....	10,169	....	16,815
1968	....	88,089	....	32,080	....	26,472	....	11,499	....	18,038
1969	....	94,609	....	35,180	....	28,218	....	12,709	....	18,502
1970	....	101,138	....	37,961	....	29,858	....	13,516	....	19,803
1970—Apr.	8,195	8,331	3,081	3,161	2,415	2,477	1,117	1,128	1,582	1,565
May	8,589	8,255	3,170	3,071	2,574	2,445	1,173	1,104	1,672	1,635
June	8,242	8,541	3,041	3,179	2,548	2,645	1,087	1,162	1,566	1,555
July	8,622	8,894	3,264	3,388	2,580	2,617	1,184	1,276	1,594	1,613
Aug.	8,577	8,357	3,185	3,154	2,507	2,389	1,158	1,137	1,727	1,677
Sept.	8,490	8,298	3,249	3,235	2,482	2,378	1,127	1,095	1,632	1,590
Oct.	8,662	8,853	3,258	3,342	2,551	2,588	1,165	1,173	1,688	1,750
Nov.	8,716	8,440	3,276	3,155	2,552	2,570	1,135	1,075	1,753	1,640
Dec.	8,515	8,823	3,262	3,235	2,465	2,753	1,113	1,159	1,675	1,676
1971—Jan.	8,829	8,605	3,385	3,169	2,486	2,293	1,199	1,195	1,759	1,948
Feb.	8,979	8,346	3,369	3,153	2,656	2,401	1,186	1,070	1,768	1,722
Mar.	9,038	9,651	3,387	3,666	2,674	2,871	1,207	1,245	1,770	1,869
Apr.	9,088	9,219	3,332	3,417	2,580	2,629	1,315	1,336	1,861	1,837
					Net change in credit outstanding[2]					
1965	....	8,629	....	3,865	....	2,641	....	1,126	....	997
1966	....	6,215	....	2,357	....	1,809	....	1,025	....	1,024
1967	....	3,387	....	1,381	....	643	....	742	....	621
1968	....	8,964	....	4,252	....	2,364	....	1,351	....	997
1969	....	8,279	....	3,353	....	2,636	....	1,536	....	754
1970	....	2,992	....	1,590	....	−611	....	1,103	....	910
1970—Apr.	296	442	127	289	87	104	81	101	1	−52
May	415	602	121	270	65	58	79	205	150	69
June	441	993	221	464	68	267	146	245	6	17
July	443	603	533	724	−405	−301	181	142	134	38
Aug.	232	558	123	231	−80	27	77	181	112	119
Sept.	359	282	168	117	−41	−78	138	117	94	126
Oct.	−82	−183	18	−41	−180	−201	56	14	24	45
Nov.	−302	−169	−117	−270	−252	−228	49	75	18	254
Dec.	21	1,371	64	155	−225	42	74	47	108	1,127
1971—Jan.	87	−1,060	47	−284	−75	−332	89	−140	120	−304
Feb.	102	−857	109	−165	−143	−280	96	47	40	−459
Mar.	495	−76	259	117	7	−185	187	173	42	−181
Apr.	663	860	344	531	44	43	160	216	115	70

[1] Includes adjustments for differences in trading days.

[2] Net changes in credit outstanding are equal to extensions less repayments, except in certain months when data for extensions and repayments have been adjusted to eliminate duplication resulting from large transfers of paper. In those months the differences between extensions and repayments for some particular holders do not equal the changes in their outstanding credit. Such transfers do not affect total instalment credit extended, repaid, or outstanding.

NOTE.—"Other financial lenders" include credit unions and miscellaneous lenders. See also NOTE to preceding table and Note 1 at bottom of p. A-54.

MARKET GROUPINGS

(1957-59=100)

Grouping	1957-59 pro-por-tion	1969 aver-age p	1970 Apr.	1970 May	1970 June	1970 July	1970 Aug.	1970 Sept.	1970 Oct.	1970 Nov.	1970 Dec.	1971 Jan.	1971 Feb. r	1971 Mar. r	1971 Apr.
Total index	100.00	172.8	170.2	169.0	168.8	169.2	168.8	165.8	162.3	161.5	164.4	165.6	165.2	165.5	166.2
Final products, total	*47.35*	*170.8*	*168.5*	*167.7*	*167.1*	*166.8*	*166.5*	*163.1*	*159.8*	*159.4*	*162.9*	*163.4*	*163.0*	*163.4*	*163.4*
Consumer goods	32.31	162.5	163.2	163.2	162.8	163.5	163.5	160.1	157.0	157.0	162.4	164.5	164.6	166.2	167.1
Equipment, including defense	15.04	188.6	179.9	177.3	176.3	173.7	173.0	169.6	165.9	164.5	164.2	161.3	159.4	157.3	155.6
Materials	52.65	174.6	171.9	170.4	171.2	171.4	171.2	168.9	164.8	163.8	166.0	168.0	167.8	168.0	169.3
Consumer goods															
Automotive products	*3.21*	*173.2*	*158.4*	*166.4*	*170.3*	*172.8*	*167.5*	*133.1*	*110.1*	*112.2*	*145.9*	*166.3*	*174.4*	*176.0*	*171.2*
Autos	1.82	162.8	136.1	156.0	163.0	163.8	163.3	108.5	76.5	78.1	131.9	155.1	168.1	167.3	153.9
Auto parts and allied products	1.39	186.8	187.8	180.1	179.9	184.7	173.1	165.6	154.5	157.0	164.3	181.1	182.8	187.4	194.0
Home goods and apparel	*10.00*	*159.3*	*155.0*	*153.0*	*153.2*	*155.4*	*156.4*	*153.4*	*153.9*	*150.3*	*150.9*	*151.4*	*150.5*	*153.4*	*154.8*
Home goods	4.59	184.0	180.0	178.4	177.7	182.5	183.7	179.0	180.2	180.0	174.0	176.6	175.9	180.2	184.4
Appliances, TV, and radios	1.81	180.2	178.9	182.6	178.8	192.3	198.6	189.9	194.3	188.1	169.1	173.9	172.8	179.7	188.7
Appliances	1.33	192.4	206.7	213.9	201.4	218.4	223.7	212.8	216.0	208.3	182.2	193.5	192.3	198.1	202.6
TV and home radios	.47	145.6	100.3	94.2	115.2	118.8	127.8	125.5	133.2	131.1	132.2	118.7	118.0	128.0	149.5
Furniture and rugs	1.26	180.3	170.6	165.5	164.9	165.2	164.9	164.4	166.5	169.3	170.5	171.4	172.4	174.2	175.4
Miscellaneous home goods	1.52	191.5	189.0	184.1	186.9	185.0	181.6	178.0	174.8	179.3	182.8	184.2	182.6	185.6	186.9
Apparel, knit goods, and shoes	5.41	138.5	133.8	131.4	132.4	132.4	133.2	131.7	131.6	125.2	131.3	130.0	129.0	130.7	......
Consumer staples	*19.10*	*162.4*	*168.4*	*168.0*	*166.6*	*166.3*	*166.6*	*168.1*	*166.7*	*168.0*	*171.1*	*171.2*	*170.3*	*171.2*	*172.8*
Processed foods	8.43	136.6	140.2	141.1	137.9	138.7	139.4	139.3	135.2	138.3	141.0	141.4	138.4	140.3	141.0
Beverages and tobacco	2.43	146.8	150.1	142.2	142.6	141.9	144.7	149.0	148.1	147.5	152.1	155.1	159.0	161.4	......
Drugs, soap, and toiletries	2.97	209.0	218.6	219.6	217.4	217.4	213.9	215.5	215.0	220.1	226.8	222.2	220.7	222.3	228.0
Newspapers, magazines, and books	1.47	147.1	146.0	146.9	147.6	142.9	143.1	140.5	140.8	143.2	144.7	145.5	144.9	143.0	144.4
Consumer fuel and lighting	3.67	199.6	212.6	212.3	213.7	212.8	213.5	219.2	221.7	217.2	218.0	218.1	219.6	218.4	......
Fuel oil and gasoline	1.20	144.6	152.1	149.7	153.0	148.2	148.9	152.7	155.2	154.8	155.6	153.2	153.3	156.9	161.0
Residential utilities	2.46	226.3	242.1	242.8	243.3	244.3	245.0	251.7	254.2	247.6	248.5	249.7	252.0	248.5	......
Electricity	1.72	249.7	267.5	268.1	268.1	269.1	269.7	281.9	285.0	275.1	276.0	277.1	280.0	274.5	......
Gas	.74	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Equipment															
Business equipment	*11.63*	*195.6*	*193.0*	*188.7*	*188.0*	*186.1*	*185.9*	*182.3*	*178.9*	*177.8*	*177.9*	*174.3*	*173.0*	*170.5*	*169.5*
Industrial equipment	6.85	179.1	182.1	175.8	175.2	174.6	173.3	170.5	169.7	167.9	166.8	164.4	162.3	160.3	159.3
Commercial equipment	2.42	220.0	223.4	220.4	220.4	218.3	214.2	210.5	207.0	205.7	204.3	200.7	199.3	198.3	197.6
Freight and passenger equipment	1.76	246.7	215.4	216.8	213.8	207.3	214.3	206.5	193.7	194.6	202.3	203.6	196.4	191.1	188.9
Farm equipment	.61	136.8	130.4	127.4	128.6	126.0	133.2	133.6	128.0	130.8	127.0	96.7	121.9	115.3	......
Defense equipment	*3.41*	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Materials															
Durable goods materials	*26.73*	*165.5*	*159.6*	*157.5*	*157.8*	*158.4*	*157.4*	*151.9*	*144.3*	*141.9*	*147.0*	*149.7*	*150.3*	*151.4*	*152.8*
Consumer durable	3.43	163.9	143.6	146.0	155.4	156.0	161.3	143.6	110.9	111.2	139.0	151.3	153.0	150.6	148.5
Equipment	7.84	191.9	183.8	177.5	176.6	178.4	175.9	173.1	166.7	164.1	163.6	162.9	160.9	161.2	156.8
Construction	9.17	152.4	148.8	146.8	145.1	146.3	147.3	146.1	144.2	140.6	142.0	148.6	148.3	149.1	149.6
Metal materials n.e.c.	6.29	152.8	147.7	146.8	150.0	152.6	147.2	140.1	136.2	133.7	143.3	147.0	148.9	150.1	150.2
Nondurable materials	*25.92*	*183.9*	*184.6*	*183.8*	*184.9*	*184.9*	*185.4*	*186.4*	*186.0*	*186.3*	*185.7*	*187.0*	*185.8*	*185.2*	*186.3*
Business supplies	9.11	166.6	164.5	162.1	163.4	164.9	165.0	161.2	159.5	160.7	162.2	163.9	160.1	155.2	158.2
Containers	3.03	168.6	166.2	168.2	166.0	161.9	167.5	163.1	164.1	164.2	166.5	174.4	166.2	153.1	157.1
General business supplies	6.07	165.5	163.7	159.1	162.1	166.4	163.7	160.3	157.2	158.9	160.0	158.7	157.1	156.3	158.8
Nondurable materials n.e.c.	7.40	237.8	236.1	233.1	234.7	234.2	233.4	235.8	236.0	238.5	235.3	238.4	238.2	240.5	238.9
Business fuel and power	9.41	158.2	163.8	166.0	166.6	165.4	167.5	171.8	172.5	170.1	169.3	169.1	169.4	170.8	172.2
Mineral fuels	6.07	134.9	139.1	142.0	142.4	140.2	144.4	147.5	148.0	146.6	145.0	143.5	141.8	144.9	146.8
Nonresidential utilities	2.86	216.7	226.5	228.1	228.6	229.4	227.9	235.1	236.7	231.1	232.6	234.3	239.3	236.8	......
Electricity	2.32	220.6	232.0	233.8	234.3	235.0	233.0	238.7	240.8	233.9	235.8	237.9	243.7	240.4	......
General industrial	1.03	216.1	220.6	221.8	223.9	227.2	225.4	225.8	223.1	216.3	219.5	219.8	224.9	222.4	......
Commercial and other	1.21	236.1	254.2	256.7	255.9	254.8	252.7	263.0	268.6	261.2	262.1	265.8	272.6	268.5	......
Gas	.54	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Supplementary groups of consumer goods															
Automotive and home goods	7.80	179.5	171.1	173.5	172.7	178.5	177.0	160.1	151.4	152.1	162.5	172.4	175.3	178.4	179.0
Apparel and staples	24.51	157.1	160.7	159.9	159.0	158.8	159.2	160.1	158.9	158.6	162.3	162.1	161.2	162.3	......

For NOTE see p. A-61.

INDUSTRY GROUPINGS

(1957–59 = 100)

Grouping	1957–59 proportion	1969 average[p]	1970 Apr.	1970 May	1970 June	1970 July	1970 Aug.	1970 Sept.	1970 Oct.	1970 Nov.	1970 Dec.	1971 Jan.	1971 Feb.[r]	1971 Mar.[r]	1971 Apr.
Total index	100.00	172.8	170.2	169.0	168.8	169.2	168.8	165.8	162.3	161.5	164.4	165.6	165.2	165.5	166.2
Manufacturing, total	*86.45*	*173.9*	*170.0*	*168.1*	*168.0*	*168.5*	*167.7*	*163.7*	*159.4*	*159.0*	*162.1*	*163.6*	*163.1*	*163.5*	*163.9*
Durable	48.07	176.5	168.4	167.6	167.3	167.4	166.7	160.4	153.5	151.4	156.1	157.8	157.6	157.7	157.4
Nondurable	38.38	170.6	171.9	168.7	168.9	170.0	169.0	167.7	166.9	168.6	169.7	170.9	169.9	170.7	172.0
Mining	8.23	130.2	133.9	134.8	135.5	133.8	137.1	138.9	139.9	139.4	138.8	137.9	136.3	138.7	138.8
Utilities	5.32	221.2	233.8	234.9	235.4	236.3	235.8	242.8	244.8	238.7	240.0	241.5	245.2	242.2	246.0
Durable manufactures															
Primary and fabricated metals	*12.32*	*162.5*	*154.7*	*155.2*	*155.6*	*157.1*	*157.1*	*154.2*	*145.6*	*142.1*	*146.1*	*148.7*	*151.0*	*152.6*	*153.4*
Primary metals	6.95	149.1	138.9	142.6	142.7	145.2	145.6	142.6	133.9	129.3	135.4	137.6	140.8	143.1	144.6
Iron and steel	5.45	140.3	133.0	136.7	138.8	136.8	134.1	129.5	121.5	117.2	122.3	130.0	132.9	138.3	141.9
Nonferrous metals and products	1.50	181.1	175.4	174.4	169.2	172.6	169.7	172.1	161.5	162.9	177.1	171.7	173.4	174.9	169.7
Fabricated metal products	5.37	179.8	175.2	171.4	172.3	172.5	171.9	169.2	160.6	158.7	160.0	163.0	164.1	164.8	164.8
Structural metal parts	2.86	173.3	170.2	164.2	164.4	162.9	164.0	162.7	158.0	158.2	158.9	163.3	165.1	168.5	165.5
Machinery and related products	*27.98*	*188.4*	*178.6*	*177.6*	*178.0*	*177.4*	*176.0*	*167.2*	*158.9*	*156.8*	*162.9*	*164.1*	*162.8*	*162.0*	*160.6*
Machinery	14.80	195.7	194.9	191.0	190.6	191.2	190.3	186.2	182.9	179.0	176.7	174.7	173.0	173.4	173.3
Nonelectrical machinery	8.43	194.6	191.7	187.1	185.2	185.2	183.0	180.0	176.1	172.7	170.4	166.2	165.5	165.0	162.4
Electrical machinery	6.37	197.2	199.1	196.3	197.7	199.1	199.9	194.5	191.9	187.4	185.1	185.9	182.9	184.5	187.7
Transportation equipment	10.19	174.6	153.1	157.3	159.9	158.1	156.7	139.0	122.0	121.9	142.5	148.6	148.8	146.6	142.8
Motor vehicles and parts	4.68	166.9	148.0	158.5	164.4	164.8	164.7	127.3	95.4	96.9	142.0	158.8	166.5	164.8	157.9
Aircraft and other equipment	5.26	177.8	154.1	153.0	153.3	149.7	147.1	145.7	141.1	139.5	139.3	136.1	129.5	126.1	124.5
Instruments and related products	1.71	194.4	195.4	191.3	187.9	187.0	183.3	181.8	181.3	181.7	180.5	181.4	179.5	176.2	178.7
Ordnance and accessories	1.28	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Clay, glass, and lumber	*4.72*	*142.5*	*140.3*	*139.2*	*134.1*	*134.7*	*136.9*	*133.8*	*135.0*	*133.3*	*135.4*	*138.7*	*138.4*	*139.1*	*140.9*
Clay, glass, and stone products	2.99	156.0	154.6	152.6	149.4	148.8	150.1	148.7	149.4	148.5	152.6	151.3	150.9	152.3	154.5
Lumber and products	1.73	119.1	115.5	116.1	107.6	110.5	114.2	108.2	110.1	107.0	105.8	117.0	116.9	116.3	.....
Furniture and miscellaneous	*3.05*	*176.7*	*173.5*	*169.1*	*168.3*	*167.3*	*166.1*	*164.8*	*165.2*	*166.7*	*166.1*	*166.3*	*166.6*	*168.2*	*169.5*
Furniture and fixtures	1.54	186.9	179.5	174.4	173.8	172.5	172.9	171.7	173.9	174.7	174.5	174.5	173.9	175.0	177.4
Miscellaneous manufactures	1.51	166.4	167.4	163.6	162.6	162.0	159.1	157.7	156.3	158.5	157.5	158.0	159.1	161.2	161.5
Nondurable manufactures															
Textiles, apparel, and leather	*7.60*	*144.2*	*138.9*	*136.7*	*135.8*	*135.9*	*135.9*	*135.2*	*135.7*	*133.0*	*135.6*	*137.0*	*135.1*	*136.5*	*138.8*
Textile mill products	2.90	154.2	151.3	147.8	145.9	145.3	146.1	145.7	146.7	145.1	143.9	149.1	151.7	153.5	155.7
Apparel products	3.59	149.2	140.8	137.7	139.0	140.9	140.7	139.3	138.7	135.5	141.7	140.3	138.0	139.5	.....
Leather and products	1.11	101.9	100.2	104.5	99.3	95.6	93.6	94.6	97.2	93.1	94.2	94.7	82.2	82.3	.....
Paper and printing	*8.17*	*164.4*	*165.0*	*163.0*	*161.7*	*161.9*	*162.1*	*157.6*	*157.7*	*160.5*	*159.7*	*159.9*	*159.9*	*159.5*	*159.9*
Paper and products	3.43	175.6	176.3	174.5	170.8	172.0	172.9	166.2	168.0	171.7	169.5	170.0	170.0	169.3	170.6
Printing and publishing	4.74	156.3	156.9	154.8	155.2	154.6	154.3	151.5	150.2	152.4	152.7	152.6	152.6	152.5	152.3
Newspapers	1.53	142.7	139.3	136.9	137.5	140.0	138.7	137.4	134.5	137.2	136.6	134.9	139.3	135.5	134.0
Chemicals, petroleum, and rubber	*11.54*	*222.6*	*227.0*	*220.2*	*224.3*	*226.8*	*223.5*	*222.0*	*221.5*	*224.1*	*225.2*	*225.9*	*224.0*	*225.4*	*228.9*
Chemicals and products	7.58	239.0	244.4	241.4	243.2	243.3	239.8	240.8	240.7	243.7	243.9	245.3	243.8	244.7	246.3
Industrial chemicals	3.84	283.0	289.2	281.3	285.8	285.7	280.7	282.0	282.9	285.4	281.7	283.5	283.9	285.0	.....
Petroleum products	1.97	143.8	147.9	146.5	147.8	145.5	147.5	150.3	150.1	154.2	156.0	152.7	152.1	153.0	155.2
Rubber and plastics products	1.99	238.7	239.4	212.2	227.8	244.8	236.9	221.4	219.1	218.9	222.3	224.3	219.8	223.8	.....
Foods, beverages, and tobacco	*11.07*	*139.0*	*142.3*	*141.3*	*139.2*	*140.0*	*140.1*	*141.0*	*138.4*	*141.2*	*142.7*	*144.9*	*145.0*	*145.5*	*144.3*
Foods and beverages	10.25	140.7	143.7	143.1	140.7	141.1	141.6	142.4	139.6	142.7	144.4	146.7	146.5	147.0	146.8
Food manufactures	8.64	136.7	140.1	141.0	138.3	139.5	138.8	138.7	135.7	139.4	140.1	140.9	141.0	141.0	141.4
Beverages	1.61	161.9	162.8	154.6	153.7	149.6	156.4	162.2	160.3	160.7	167.6	178.1	175.9	179.3	.....
Tobacco products	.82	117.3	125.1	117.8	120.7	126.6	121.8	122.9	124.1	121.6	121.7	121.9	125.7	126.1	.....
Mining															
Coal, oil, and gas	*6.80*	127.4	*129.8*	*132.3*	*133.3*	*131.0*	*135.1*	*138.2*	*139.2*	*137.1*	*136.2*	*134.8*	*133.2*	*135.7*	*136.0*
Coal	1.16	117.7	123.0	134.2	124.3	127.5	128.5	127.9	128.1	127.3	130.1	136.3	129.5	138.1	142.5
Crude oil and natural gas	5.64	129.3	131.3	131.9	135.1	131.7	136.5	140.3	141.5	139.1	137.4	134.6	134.0	135.2	134.7
Oil and gas extraction	4.91	139.0	142.9	143.9	146.7	143.2	148.2	152.1	152.6	151.2	148.5	145.3	144.8	146.5	147.8
Crude oil	4.25	132.0	135.2	135.8	137.5	134.4	139.8	144.1	145.1	143.8	141.0	137.3	136.4	138.6	139.9
Gas and gas liquids	.66	184.0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Oil and gas drilling	.73	64.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Metal, stone, and earth minerals	*1.43*	*143.5*	*153.1*	*146.6*	*146.1*	*146.8*	*146.6*	*142.2*	*143.3*	*150.1*	*151.4*	*152.5*	*151.0*	*153.0*	*152.0*
Metal mining	.61	142.0	162.6	151.8	150.3	150.9	152.3	144.5	145.1	160.1	159.7	160.3	160.0	160.1	159.2
Stone and earth minerals	.82	144.7	146.1	142.8	143.0	143.8	142.3	140.5	142.0	142.7	145.2	146.7	144.4	147.8	146.7
Utilities															
Electric	4.04	233.0	247.1	248.4	248.7	249.5	248.6	257.1	259.6	251.5	253.0	254.6	259.1	254.9	.....
Gas	1.28	174.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

For NOTE see p. A-61.

MARKET GROUPINGS

(1957–59 = 100)

Grouping	1957–59 proportion	1969 average[p]	1970 Apr.	1970 May	1970 June	1970 July	1970 Aug.	1970 Sept.	1970 Oct.	1970 Nov.	1970 Dec.	1971 Jan.	1971 Feb.[r]	1971 Mar.[r]	1971 Apr.
Total index	100.00	172.8	170.6	169.1	172.1	163.6	169.1	0.2	166.5	162.9	162.5	164.2	165.9	167.1	166.6
Final products, total	*47.35*	*170.8*	*166.9*	*165.8*	*169.9*	*161.8*	*167.1*	*168.8*	*164.7*	*160.2*	*160.0*	*162.7*	*163.4*	*164.0*	*161.7*
Consumer goods	32.31	162.5	160.6	160.3	165.7	157.6	165.3	168.1	164.0	158.0	157.0	163.4	165.5	166.5	164.6
Equipment, including defense	15.04	188.6	180.3	177.7	179.0	170.9	170.9	170.4	166.1	164.8	166.4	161.2	159.1	158.4	155.7
Materials	52.65	174.6	174.3	172.1	174.1	165.3	170.9	171.5	168.5	165.4	164.7	165.2	168.6	170.2	171.2
Consumer goods															
Automotive products	*3.21*	*173.2*	*167.0*	*173.8*	*182.9*	*131.6*	*116.6*	*135.2*	*118.9*	*117.5*	*148.4*	*174.8*	*183.5*	*184.3*	*178.3*
Autos	1.82	162.8	152.4	173.2	185.0	98.3	68.9	108.5	88.0	87.5	137.6	169.1	184.9	184.0	167.7
Auto parts and allied products	1.39	186.8	186.3	174.4	180.1	175.6	179.5	170.3	159.7	157.0	162.5	182.3	181.8	184.7	192.2
Home goods and apparel	*10.00*	*159.3*	*157.1*	*154.1*	*156.4*	*143.7*	*154.1*	*156.2*	*162.0*	*154.6*	*142.1*	149.1	*155.3*	*158.3*	*157.3*
Home goods	4.59	184.0	181.4	177.5	180.0	168.7	174.1	182.9	190.9	184.5	171.2	174.0	180.3	186.3	185.9
Appliances, TV, and radios	1.81	180.2	188.3	185.7	186.0	172.3	170.1	189.9	205.7	188.2	156.1	176.1	187.5	198.5	198.0
Appliances	1.33	192.4	223.0	219.8	213.0	200.6	182.8	208.3	223.0	202.1	168.8	197.0	208.7	221.7	218.1
TV and home radios	.47	145.6	90.3	89.5	110.0	92.3	134.2	138.0	157.2	148.9	120.3	117.4	127.7	133.0	141.3
Furniture and rugs	1.26	180.3	165.8	159.2	162.9	157.3	168.7	169.0	175.2	175.6	176.8	167.6	170.3	172.1	170.5
Miscellaneous home goods	1.52	191.5	186.2	183.0	186.9	173.9	183.4	186.0	186.3	187.6	184.6	176.8	179.9	183.6	184.1
Apparel, knit goods, and shoes	5.41	138.5	136.5	134.4	136.4	122.5	137.2	133.7	137.5	129.3	117.5	128.1	134.2	134.6	......
Consumer staples	*19.10*	*162.4*	*161.4*	*161.2*	*167.7*	*169.2*	*179.4*	*179.8*	*172.6*	*166.6*	*166.3*	*168.9*	*167.8*	*167.8*	*166.1*
Processed foods	8.43	136.6	129.8	132.6	136.5	138.0	153.0	155.0	150.1	143.6	137.2	134.3	132.2	132.3	130.6
Beverages and tobacco	2.43	146.8	151.7	152.8	163.3	148.7	156.7	152.7	152.4	139.8	131.7	138.6	144.8	157.7	......
Drugs, soap, and toiletries	2.97	209.0	216.4	215.2	225.0	216.3	218.2	222.0	220.2	221.2	221.6	217.8	222.9	222.3	225.7
Newspapers, magazines, and books	1.47	147.1	146.6	146.5	145.5	142.9	144.8	141.8	140.7	141.3	144.4	144.2	144.3	145.1	145.0
Consumer fuel and lighting	3.67	199.6	200.0	193.7	203.6	226.3	236.7	236.2	211.1	202.6	219.8	236.9	228.0	220.5	......
Fuel oil and gasoline	1.20	144.6	144.3	144.8	151.3	151.0	153.3	156.2	151.2	153.9	160.9	157.9	156.8	155.2	152.6
Residential utilities	2.46	226.3	......	......	......	......	......	......	......	......	......	......	......	......	......
Electricity	1.72	249.7	246.1	231.9	247.9	296.0	316.1	315.7	265.1	244.8	276.0	314.0	295.4	280.0	......
Gas	.74	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Equipment															
Business equipment	*11.63*	*195.6*	*194.0*	*189.7*	*191.9*	*182.9*	*183.5*	*183.4*	*178.8*	*177.2*	*179.7*	*173.8*	*172.6*	*172.2*	*170.0*
Industrial equipment	6.85	179.1	182.1	176.0	178.7	172.9	172.8	172.0	168.7	167.9	169.3	164.7	161.5	160.5	159.3
Commercial equipment	2.42	220.0	219.2	217.8	221.1	213.9	214.2	213.7	209.1	208.2	208.8	200.9	197.1	198.3	193.8
Freight and passenger equipment	1.76	246.7	224.0	223.3	222.4	203.2	207.9	204.4	193.7	190.7	200.3	197.5	196.4	196.8	194.6
Farm equipment	.61	136.8	140.1	134.4	135.6	114.1	110.9	131.0	127.8	119.4	122.0	98.4	130.5	127.8	......
Defense equipment	*3.41*	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Materials															
Durable goods materials	*26.73*	*165.5*	*160.4*	*159.5*	*162.0*	*153.2*	*156.0*	*154.9*	*147.1*	*143.6*	*146.9*	*146.6*	*150.5*	*153.4*	*153.6*
Consumer durable	3.43	163.9	147.9	150.4	158.5	142.7	147.6	140.7	111.5	114.5	146.0	156.6	155.3	155.1	153.0
Equipment	7.84	191.9	185.8	178.7	178.4	172.9	170.6	171.4	166.2	164.3	166.1	164.4	162.3	163.0	158.5
Construction	9.17	152.4	148.1	149.6	154.1	150.1	155.7	153.4	149.4	142.7	137.7	134.6	138.8	144.3	148.9
Metal materials n.e.c.	6.29	152.8	153.6	154.9	154.8	138.9	142.9	144.3	139.5	134.8	137.0	143.2	150.2	153.7	156.2
Nondurable materials	*25.92*	*183.9*	*188.5*	*185.1*	*186.6*	*177.8*	*186.2*	*188.6*	*190.5*	*188.0*	*182.9*	*184.4*	*187.3*	*187.6*	*189.4*
Business supplies	9.11	166.6	169.3	164.8	165.1	154.7	165.0	165.2	167.4	164.4	156.6	158.1	159.4	158.1	162.8
Containers	3.03	168.6	172.2	169.9	171.1	157.9	177.6	173.1	176.8	164.2	148.2	165.7	164.2	153.9	162.8
General business supplies	6.07	165.5	167.8	162.3	162.1	153.1	158.8	161.3	162.7	164.5	160.8	154.3	157.1	160.2	162.8
Nondurable materials n.e.c.	7.40	237.8	245.7	236.6	238.5	226.0	231.1	235.8	241.6	240.9	232.9	234.8	243.0	245.3	246.1
Business fuel and power	9.41	158.2	162.1	164.3	166.5	162.3	171.3	174.0	172.7	169.2	169.1	170.1	170.4	170.8	170.4
Mineral fuels	6.07	134.9	140.9	142.0	140.8	131.1	142.6	145.7	148.5	148.0	146.8	145.9	146.5	148.0	148.6
Nonresidential utilities	2.86	216.7	......	......	......	......	......	......	......	......	......	......	......	......	......
Electricity	2.32	220.6	220.7	227.3	239.0	247.1	253.4	252.9	240.4	226.4	229.4	235.3	234.1	231.8	......
General industrial	1.03	216.1	217.7	222.9	228.4	226.1	229.9	229.2	223.5	216.3	217.3	218.7	219.3	220.0	......
Commercial and other	1.21	236.1	235.1	243.1	261.0	279.0	288.1	287.2	267.5	246.8	251.6	261.8	259.0	254.0	......
Gas	.54	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Supplementary groups of consumer goods															
Automotive and home goods	7.80	179.5	175.5	176.0	181.2	153.5	150.4	163.2	161.3	156.9	161.8	174.3	181.6	185.5	182.7
Apparel and staples	24.51	157.1	155.9	155.3	160.8	158.9	170.0	169.6	164.9	158.4	155.5	159.9	160.4	160.5	......

For NOTE see p. A-61.

INDUSTRY GROUPINGS

(1957-59 = 100)

Grouping	1957-59 proportion	1969 average^p	1970 Apr.	1970 May	1970 June	1970 July	1970 Aug.	1970 Sept.	1970 Oct.	1970 Nov.	1970 Dec.	1971 Jan.	1971 Feb.^r	1971 Mar.^r	1971 Apr.
Total index	100.00	172.8	170.6	169.1	172.1	163.6	169.1	170.2	166.5	162.9	162.5	164.2	165.9	167.1	166.6
Manufacturing, total	*86.45*	*173.9*	*171.0*	*168.9*	*171.8*	*161.6*	*166.4*	*167.6*	*164.5*	*161.2*	*160.0*	*161.4*	*163.8*	*165.4*	*165.0*
Durable	48.07	176.5	170.5	169.4	171.3	159.8	161.0	162.3	156.3	153.3	156.7	157.2	159.0	161.0	159.5
Nondurable	38.38	170.6	171.7	168.4	172.3	163.8	173.2	174.2	174.8	171.1	164.2	166.6	169.8	170.8	171.9
Mining	8.23	130.2	135.0	137.9	137.6	129.2	138.2	140.1	141.8	140.5	139.4	137.4	136.3	137.8	139.8
Utilities	5.32	221.2	......	......	......	......	......	......	......	......	......	......	......	......	......
Durable manufacture															
Primary and fabricated metals	*12.32*	*162.5*	*158.7*	*158.3*	*159.9*	*148.0*	*153.9*	*155.1*	*146.7*	*142.8*	*145.8*	*148.5*	*152.7*	*156.3*	*157.6*
Primary metals	6.95	149.1	147.9	149.0	147.6	131.1	137.2	137.9	132.2	128.0	131.2	140.4	147.4	152.0	154.0
Iron and steel	5.45	140.3	138.3	139.4	138.8	124.5	128.7	128.2	123.3	118.4	120.5	132.6	139.5	145.2	147.6
Nonferrous metals and products	1.50	181.1	183.1	183.6	179.7	155.3	168.0	173.3	164.6	162.9	170.0	168.8	176.0	176.8	177.2
Fabricated metal products	5.37	179.8	172.6	170.5	175.7	169.9	175.3	177.3	165.4	162.0	164.8	159.1	159.7	161.8	162.3
Structural metal parts	2.86	173.3	165.1	163.4	167.7	162.9	168.1	169.2	162.7	160.6	160.5	160.0	158.5	161.9	160.5
Machinery and related products	*27.98*	*188.4*	*181.0*	*179.5*	*181.4*	*168.2*	*165.5*	*167.7*	*160.8*	*158.9*	*164.6*	*166.1*	*166.4*	*166.3*	*162.9*
Machinery	14.80	195.7	197.3	192.1	193.6	185.3	184.5	187.0	184.2	180.2	177.7	175.9	176.7	178.6	175.8
Nonelectrical machinery	8.43	194.6	197.4	191.8	190.4	182.4	176.2	177.7	172.9	171.0	171.6	167.9	170.5	172.4	168.1
Electrical machinery	6.37	197.2	197.2	192.4	197.8	189.2	195.6	199.3	199.1	192.5	185.8	186.5	184.9	186.8	186.1
Transportation equipment	10.19	174.6	157.0	161.2	164.6	142.0	136.1	139.0	124.8	125.5	145.2	152.7	153.3	152.2	146.2
Motor vehicles and parts	4.68	166.9	155.4	167.7	176.4	134.0	123.0	128.4	100.8	102.5	144.8	166.7	174.4	172.7	164.4
Aircraft and other equipment	5.26	177.8	154.9	152.4	151.2	146.1	144.5	145.1	141.8	141.6	142.1	137.5	131.4	129.8	125.1
Instruments and related products	1.71	194.4	192.5	189.4	189.8	185.1	184.8	183.8	183.3	183.2	182.7	179.2	176.8	177.1	176.0
Ordnance and accessories	1.28	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Clay, glass, and lumber	*4.72*	*142.5*	*139.9*	*140.7*	*143.3*	*139.9*	*146.9*	*143.2*	*143.0*	*134.8*	*128.2*	*123.5*	*129.9*	*135.6*	*140.5*
Clay, glass, and stone products	2.99	156.0	154.0	155.0	159.7	157.0	161.8	157.2	157.6	150.0	144.5	134.7	139.1	146.4	153.9
Lumber and products	1.73	119.1	115.5	116.1	115.1	110.5	121.1	119.0	117.8	108.6	100.1	104.1	114.0	116.9	......
Furniture and miscellaneous	*3.05*	*176.7*	*169.0*	*165.2*	*168.5*	*161.9*	*170.9*	*170.9*	*173.9*	*173.1*	*171.7*	*162.7*	*162.1*	*166.1*	*165.1*
Furniture and fixtures	1.54	186.9	174.7	169.2	173.5	168.2	177.7	176.8	180.5	179.6	181.1	172.8	171.3	174.9	172.6
Miscellaneous manufactures	1.51	166.4	163.2	161.1	163.4	155.5	163.9	164.8	167.2	166.4	162.2	152.5	152.7	157.2	157.5
Nondurable manufactures															
Textiles, apparel, and leather	*7.60*	*144.2*	*142.0*	*139.5*	*139.3*	*124.9*	*139.0*	*137.8*	*141.3*	*135.6*	*125.4*	*136.0*	*142.2*	*142.5*	*141.9*
Textile mill products	2.90	154.2	154.3	151.5	147.4	135.9	146.8	148.6	151.1	149.5	138.9	148.4	155.5	157.3	158.8
Apparel products	3.59	149.2	145.7	142.5	145.3	128.2	144.9	142.1	146.3	138.2	126.1	138.9	148.3	148.0	......
Leather and products	1.11	101.9	98.2	98.2	98.8	86.0	99.7	96.0	99.6	91.2	87.9	94.2	87.9	86.4	......
Paper and printing	*8.17*	*164.4*	*168.7*	*164.2*	*162.8*	*153.1*	*160.8*	*160.1*	*165.0*	*164.5*	*156.0*	*157.1*	*161.3*	*160.8*	*163.5*
Paper and products	3.43	175.6	182.5	175.4	174.7	159.1	174.6	168.7	178.9	174.3	155.9	170.0	176.0	171.0	176.6
Printing and publishing	4.74	156.3	158.8	156.1	154.3	148.8	150.8	153.8	155.0	157.4	156.1	147.8	150.8	153.4	154.1
Newspapers	1.53	142.7	148.4	145.9	138.2	125.3	126.9	138.1	144.3	150.9	140.0	123.4	133.7	137.5	142.7
Chemicals, petroleum, and rubber	*11.54*	*222.6*	*228.3*	*220.1*	*229.2*	*219.3*	*223.3*	*227.5*	*226.6*	*225.9*	222.1	*222.1*	*226.8*	*227.5*	*230.2*
Chemicals and products	7.58	239.0	248.4	241.4	248.5	237.5	239.3	244.6	245.0	244.8	241.4	240.2	247.2	246.8	250.4
Industrial chemicals	3.84	283.0	295.0	281.3	287.2	276.0	276.5	284.8	288.5	289.7	284.5	279.2	289.6	287.9	......
Petroleum products	1.97	143.8	142.0	145.0	152.2	153.2	155.3	156.3	151.6	152.2	152.3	148.1	149.1	147.6	149.0
Rubber and plastics products	1.99	238.7	237.0	213.3	232.4	215.4	229.8	232.5	231.1	226.6	217.9	226.5	226.4	233.2	......
Foods, beverages, and tobacco	*11.07*	*139.0*	*135.2*	*137.5*	*142.7*	*140.4*	*153.6*	*154.2*	*151.0*	*143.3*	*136.7*	*136.7*	*135.7*	*138.5*	*137.8*
Foods and beverages	10.25	140.7	136.1	138.7	143.8	142.7	155.4	156.3	152.2	144.9	139.7	137.3	136.6	139.7	139.9
Food manufactures	8.64	136.7	130.6	133.2	136.9	138.1	152.8	154.6	150.6	144.3	138.0	135.5	133.2	133.1	131.8
Beverages	1.61	161.9	165.4	168.5	180.7	167.3	169.4	165.4	161.1	147.8	148.3	148.5	154.8	174.8	......
Tobacco products	.82	117.3	124.8	122.0	129.1	112.0	131.8	127.7	135.1	124.0	99.1	129.2	125.1	124.2	......
Mining															
Coal, oil, and gas	*6.80*	*127.4*	*132.4*	*134.0*	*132.7*	*122.9*	*133.5*	*136.5*	*139.7*	*139.2*	*139.2*	*138.5*	*137.2*	*138.1*	*138.5*
Coal	1.16	117.7	123.9	135.5	127.2	94.7	135.2	135.3	139.6	132.5	127.8	133.6	131.1	139.2	143.5
Crude oil and natural gas	5.64	129.3	134.2	133.7	133.8	128.8	133.2	136.8	139.7	140.6	141.5	139.5	138.5	137.9	137.4
Oil and gas extraction	4.91	139.0	144.9	143.5	144.0	139.8	144.4	148.1	150.6	151.7	151.3	148.8	150.1	150.1	149.8
Crude oil	4.25	132.0	137.4	136.5	136.1	131.7	137.0	141.2	143.6	143.8	142.4	139.4	140.5	141.4	142.1
Gas and gas liquids	.66	184.0	......	......	......	......	......	......	......	......	......	......	......	......	......
Oil and gas drilling	.73	64.2	......	......	......	......	......	......	......	......	......	......	......	......	......
Metal stone, and earth minerals	*1.43*	*143.5*	*146.9*	*156.2*	*161.0*	*159.0*	*160.2*	*157.2*	*152.1*	*146.5*	*140.6*	*132.0*	*131.5*	*136.3*	*145.9*
Metal mining	.61	142.0	151.2	167.0	169.8	161.5	164.5	163.3	155.3	148.9	143.7	141.1	144.0	142.5	148.1
Stone and earth minerals	.82	144.7	143.8	148.1	154.4	157.2	157.0	152.6	149.8	144.8	138.2	125.3	122.3	131.8	144.4
Utilities															
Electric	4.04	233.0	231.6	229.2	242.8	268.0	280.2	279.7	253.9	234.2	249.3	268.8	263.6	252.3	......
Gas	1.28	74.1	......	......	......	......	......	......	......	......	......	......	......	......	......

NOTE.—Published groupings include some series and subtotals not shown separately. A description and historical data are available in *Industrial Production—1957-59 Base*. Figures for individual series and subtotals (N.S.A.) are published in the monthly Business Indexes release.

SELECTED BUSINESS INDEXES

(1957–59=100, except as noted)

Period	Industrial production: Total	Major market groupings: Final products: Total	Final products: Consumer goods	Final products: Equipment	Materials	Major industry groupings: Mfg.	Mining	Utilities	Capacity utilization in mfg. (per cent)	Construction contracts	Nonagricultural employment—Total[1]	Manufacturing[2]: Employment	Manufacturing[2]: Payrolls	Total retail sales[3]	Prices[4]: Consumer (1967=100)	Prices[4]: Wholesale commodity (1967=100)
1952	84.3	84.3	79.5	94.1	84.3	85.2	90.5	61.2	91.3	....	93.0	106.1	84.5	79	79.5	88.6
1953	91.3	89.9	85.0	100.5	92.6	92.7	92.9	66.8	94.2	....	95.6	111.6	93.6	83	80.1	87.4
1954	85.8	85.7	84.3	88.9	85.9	86.3	90.2	71.8	83.5	....	93.3	101.8	85.4	82	80.5	87.6
1955	96.6	93.9	93.3	95.0	99.0	97.3	99.2	80.2	90.0	....	96.5	105.5	94.8	89	80.2	87.8
1956	99.9	98.1	95.5	103.7	101.6	100.2	104.8	87.9	87.7	....	99.8	106.7	100.2	92	81.4	90.7
1957	100.7	99.4	97.0	104.6	101.9	100.8	104.6	93.9	83.6	....	100.7	104.7	101.4	97	84.3	93.3
1958	93.7	94.8	96.4	91.3	92.7	93.2	95.6	98.1	74.0	....	97.8	95.2	93.5	98	86.6	94.6
1959	105.6	105.7	106.6	104.1	105.4	106.0	99.7	108.0	81.5	....	101.5	100.1	105.1	105	87.3	94.8
1960	108.7	109.9	111.0	107.6	107.6	108.9	101.6	115.6	80.6	....	103.3	99.9	106.7	106	88.7	94.9
1961	109.7	111.2	112.6	108.3	108.4	109.6	102.6	122.3	78.5	....	102.9	95.9	105.4	107	89.6	94.5
1962	118.3	119.7	119.7	119.6	117.0	118.7	105.0	131.4	82.1	....	105.9	99.1	113.8	115	90.6	94.8
1963	124.3	124.9	125.2	124.2	123.7	124.9	107.9	140.0	83.3	86.1	108.0	99.7	117.9	120	91.7	94.5
1964	132.3	131.8	131.7	132.0	132.8	133.1	111.5	151.3	85.7	89.4	111.1	101.5	124.3	128	92.9	94.7
1965	143.4	142.5	140.3	147.0	144.2	145.0	114.8	160.9	88.5	93.2	115.8	106.7	136.6	138	94.5	96.6
1966	156.3	155.5	147.5	172.6	157.0	158.6	120.5	173.9	90.5	94.8	121.8	113.5	151.7	148	97.2	99.8
1967	158.1	158.3	148.5	179.4	157.8	159.7	123.8	184.9	85.3	100.0	125.4	113.6	155.1	153	100.0	100.0
1968	165.5	165.1	156.9	182.6	165.8	166.9	126.6	202.5	84.5	113.2	129.3	115.2	167.9	165	104.2	102.5
1969	172.8	170.8	162.5	188.6	174.6	173.9	130.2	221.2	....	123.7	133.8	117.3	180.8	171	109.8	106.5
1970	......	......	......	......	......	......	......	......	....	....	134.5	111.5	177.4	....	116.3	110.4
1970—Apr.	170.2	168.5	163.2	179.0	171.9	170.0	133.9	233.8		130.0	135.5	114.2	179.3	179	115.2	109.9
May	169.0	167.7	163.2	177.3	170.4	168.1	134.8	234.9	78.0	110.0	134.9	112.6	176.7	178	115.7	110.1
June	168.8	167.1	162.8	176.3	171.2	168.0	135.5	235.4		120.0	134.5	112.3	178.6	178	116.3	110.3
July	169.2	166.8	163.5	173.7	171.4	168.5	133.8	236.3		116.0	134.4	111.9	178.1	180	116.7	110.9
Aug.	168.8	166.5	163.5	173.0	171.2	167.7	137.1	235.8	76.2	135.0	134.1	110.9	179.0	180	116.9	110.5
Sept.	165.8	163.1	160.1	169.6	168.9	163.7	138.9	242.8		118.0	134.3	111.1	178.4	181	117.5	111.0
Oct.	162.3	159.8	157.0	165.9	164.8	159.4	139.9	244.8		115.0	133.6	106.4	168.8	179	118.1	111.0
Nov.	161.5	159.4	157.0	164.5	163.8	159.0	139.4	238.7	72.4	130.0	133.4	105.5	168.5	177	118.5	110.9
Dec.	164.4	162.9	162.4	164.2	166.0	162.1	138.8	240.0		132.0	133.9	108.1	176.8	179	119.1	111.0
1971—Jan.	165.6	163.4	164.5	161.3	168.0	163.6	137.9	241.5		117.0	134.5	107.9	179.1	182	119.2	111.8
Feb.	165.2	163.0	164.6	159.4	167.8	163.1	136.3	245.2	r73.2	126.0	134.4	107.5	177.6	185	119.4	112.8
Mar.	165.5	163.4	166.2	157.3	168.0	163.5	138.7	242.2		141.0	134.5	r107.1	r178.8	r189	119.8	113.0
Apr.	r166.2	r163.4	r167.1	r155.6	r169.3	r163.9	r138.8	r246.0	....	161.0	134.6	r107.3	r178.2	r191	120.2	113.3
May p	167.3	164.3	168.3	156.0	170.3	165.1	137.1	248.0	....	....	134.8	107.5	180.0	189	....	....

1 Employees only: excludes personnel in the Armed Forces.
2 Production workers only.
3 F.R. index based on Census Bureau figures.
4 Prices are not seasonally adjusted.

NOTE.—*All series:* Data are seasonally adjusted unless otherwise noted.

Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.

Construction contracts: F. W. Dodge Co. monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering; does not include data for Alaska and Hawaii.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1968	1969	1970 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1971 Jan.	Feb.	Mar.	Apr.
Total construction 1	61,732	67,425	6,757	5,417	6,552	6,177	6,229	5,398	5,453	5,144	4,974	4,383	4,993	6,386	7,743
By type of ownership:															
Public	19,597	22,656	1,791	1,695	2,814	2,312	2,078	1,869	2,023	1,937	1,688	1,464	1,578	1,722	2,074
Private 1	42,135	44,769	4,966	3,722	3,738	3,865	4,151	3,529	3,430	3,208	3,286	2,919	3,415	4,663	5,669
By type of construction:															
Residential building 1	24,838	25,219	2,466	2,122	2,347	2,347	2,349	2,176	2,301	1,947	2,045	1,631	1,819	2,729	......
Nonresidential building	22,512	25,667	2,412	1,749	2,469	2,469	2,331	1,943	1,862	1,701	1,693	1,711	1,654	2,199	......
Nonbuilding	14,382	16,539	1,877	1,544	1,361	1,361	1,549	1,278	1,289	1,497	1,235	1,041	1,520	1,458	......
Private housing units authorized (In thousands, S.A., A.R.)	1,330	1,299	1,263	1,321	1,306	1,275	1,326	1,371	1,521	1,487	1,768	1,635	r1,563	1,627	1,618

1 Because of improved collection procedures, data for 1-family homes beginning Jan. 1968 are not strictly comparable with those for earlier periods. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the F. W. Dodge Co. does not include data for Alaska or Hawaii. Totals of monthly data exceed annual totals because adjustments—negative—are made into accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 13,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Non-farm residential	Nonresidential					Total	Military	Highway	Conservation & development	Other [2]
				Total	Buildings			Other					
					Industrial	Commercial	Other buildings [1]						
1962 [3]	59,667	41,798	24,292	17,506	2,842	5,144	3,631	5,889	17,869	1,266	6,365	1,524	8,714
1963 [4]	63,423	44,057	26,187	17,870	2,906	4,995	3,745	6,224	19,366	1,189	7,084	1,690	9,403
1964	66,200	45,810	26,258	19,552	3,565	5,396	3,994	6,597	20,390	938	7,133	1,729	10,590
1965	72,319	50,253	26,268	23,985	5,118	6,739	4,735	7,393	22,066	852	7,550	2,019	11,645
1966	75,120	51,120	23,971	27,149	6,679	6,879	5,037	8,554	24,000	769	8,355	2,195	12,681
1967	76,160	50,587	23,736	26,851	6,131	6,982	4,993	8,745	25,573	721	8,538	2,196	14,511
1968	84,692	56,996	28,823	28,173	5,594	8,333	4,873	9,373	27,696	824	9,295	2,046	15,531
1969	90,866	62,806	30,603	32,203	6,373	10,136	5,521	10,170	28,060	949	9,276	1,796	16,039
1970	91,266	63,079	29,275	33,806	5,930	10,521	5,841	11,459	28,297	782	....	....	....
1970—Apr.	90,721	63,365	29,829	33,777	6,230	10,577	5,857	11,113	27,115	746	....	....	....
May	89,702	62,656	29,150	33,506	5,864	10,553	5,975	11,114	27,046	868	....	....	....
June	90,063	61,652	27,698	33,954	5,892	10,903	5,878	11,281	28,411	830	....	....	....
July	89,084	60,675	27,014	33,661	5,915	10,027	5,932	11,787	28,409	592	....	....	....
Aug.	89,987	61,493	27,536	33,957	6,241	10,188	5,959	11,569	28,494	845	....	....	....
Sept.	91,012	62,725	28,768	33,957	5,741	10,375	5,686	12,155	28,287	738	....	....	....
Oct.	92,348	64,488	30,531	33,957	5,983	10,210	5,572	12,192	27,860	866	....	....	....
Nov.	92,891	64,549	31,791	32,758	5,752	9,278	5,575	12,153	28,342	701	....	....	....
Dec.r	r99,114	66,904	33,275	33,689	5,358	10,372	5,739	12,160	r32,210	768	....	....	....
1971—Jan.	r99,956	69,858	34,377	35,481	5,904	11,558	6,083	11,936	r30,098	1,016	....	....	....
Feb.r	102,558	70,845	35,648	35,197	5,596	11,846	5,740	12,015	31,713	924	....	....	....
Mar.r	102,238	72,197	36,923	35,274	5,244	12,169	5,637	12,224	30,041	882	....	....	....
Apr.	104,496	73,735	38,077	35,658	5,869	11,837	5,884	12,068	30,761	844	....	....	....

[1] Includes religious, educational, hospital, institutional, and other buildings.

[2] Sewer and water, formerly shown separately, now included in "Other."

[3] Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.

[4] Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

NOTE.—Census Bureau data, monthly series at seasonally adjusted annual rates.

NEW HOUSING UNITS

(In thousands)

Period	Units started														Mobile home shipments (N.S.A.)
	Private (S.A., A.R.)								Private and public (N.S.A.)			Government underwritten (N.S.A.)			
	Total	Region				Type of structure									
		Northeast	North Central	South	West	1-family	2- to 4-family	5- or more-family	Total	Private	Public	Total	FHA	VA	
1962	1,463	264	290	531	378	991	471		1,492	1,463	30	339	261	78	118
1963	1,610	261	328	591	431	1,021	589		1,642	1,610	32	292	221	71	151
1964	1,529	253	339	582	355	972	108	450	1,562	1,529	32	264	205	59	191
1965	1,473	270	362	575	266	964	87	422	1,510	1,473	37	246	197	49	216
1966	1,165	207	288	473	198	779	61	325	1,196	1,165	31	195	158	37	217
1967	1,292	215	337	520	220	844	72	376	1,322	1,292	30	232	180	53	240
1968	1,508	227	369	619	294	900	81	527	1,548	1,508	40	283	227	56	318
1969	1,467	206	349	588	323	810	87	571	1,500	1,467	33	r288	r237	r51	413
1970	1,429	217	291	611	310	811	84.7	534	1,467	1,434	33	479	418	61	401
1970—Apr.	1,224	222	255	524	223	697	57	470	130	128	2	37	32	5	40
May	1,242	190	228	566	258	728	81	433	127	125	2	42	37	5	33
June	1,393	176	311	592	314	835	78	480	141	135	6	46	41	5	35
July	1,603	264	335	652	352	827	95	681	143	141	2	49	43	6	37
Aug.	1,425	181	298	640	306	838	94	493	132	129	3	40	34	6	38
Sept.	1,509	198	262	673	376	881	122	506	133	131	2	40	34	6	41
Oct.	1,583	227	331	649	376	890	87	606	143	141	2	46	40	6	41
Nov.	1,693	262	355	737	339	934	111	648	128	127	1	39	34	5	30
Dec.	2,054	234	427	916	477	1,240	102	712	124	121	3	69	63	6	27
1971—Jan.	1,725	238	320	724	435	946	110	669	115	111	4	37	32	5	25
Feb.r	1,754	238	292	745	479	985	110	659	105	102	3	32	27	5	28
Mar.	1,950	255	439	800	456	1,045	121	784	168	167	1	41	33	8	36
Apr.p	1,903	246	454	812	391	1,081	101	721	203	200	3	53	45	8	43

NOTE.—Starts are Census Bureau series (including farm starts) except for Govt.-underwritten, which are from Federal Housing Admin. and Veterans Admin. and represent units started, including rehabilitation units under FHA, based on field office reports of first compliance inspections. Data may not add to totals because of rounding.

Mobile home shipments are as reported by Mobile Homes Manufacturers Assn.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total noninstitutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate[1] (per cent; S.A.)
				Total	Employed[2]			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1965	129,236	52,058	77,178	74,455	71,088	66,726	4,361	3,366	4.5
1966	131,180	52,288	78,893	75,770	72,895	68,915	3,979	2,875	3.8
1967[3]	133,319	52,527	80,793	77,347	74,372	70,527	3,844	2,975	3.8
1968	135,562	53,291	82,272	78,737	75,920	72,103	3,817	2,817	3.6
1969	137,841	53,602	84,239	80,733	77,902	74,296	3,606	2,831	3.5
1970	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1970—May	139,884	54,915	85,849	82,621	78,601	75,031	3,570	4,020	4.9
June	140,046	52,816	85,392	82,213	78,299	74,763	3,536	3,914	4.8
July	140,259	52,304	85,865	82,711	78,574	75,066	3,508	4,137	5.0
Aug	140,468	53,220	85,904	82,770	78,508	75,073	3,435	4,262	5.1
Sept	140,675	55,019	86,084	82,975	78,479	75,043	3,436	4,496	5.4
Oct	140,886	54,631	86,379	83,300	78,691	75,398	3,293	4,609	5.5
Nov	141,091	54,705	86,512	83,473	78,550	75,197	3,353	4,923	5.9
Dec	141,301	55,137	86,622	83,609	78,463	75,055	3,408	5,146	6.2
1971—Jan	141,500	55,872	86,873	83,897	78,864	75,451	3,413	5,033	6.0
Feb	141,670	56,017	86,334	83,384	78,537	75,208	3,329	4,847	5.8
Mar	141,885	56,286	86,405	83,475	78,475	75,079	3,396	5,000	6.0
Apr	142,088	56,308	86,665	83,783	78,698	75,140	3,558	5,085	6.1
May	142,285	56,331	87,028	84,178	78,961	75,503	3,458	5,217	6.2

[1] Per cent of civilian labor force.
[2] Includes self-employed, unpaid family, and domestic service workers.
[3] Beginning 1967, data not strictly comparable with previous data. Description of changes available from Bureau of Labor Statistics.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation & public utilities	Trade	Finance	Service	Government
1965	60,815	18,062	632	3,186	4,036	12,716	3,023	9,087	10,074
1966	63,955	19,214	627	3,275	4,151	13,245	3,100	9,551	10,792
1967	65,857	19,447	613	3,208	4,261	13,606	3,225	10,099	11,398
1968	67,915	19,781	606	3,285	4,310	14,084	3,382	10,623	11,845
1969	70,274	20,169	619	3,437	4,431	14,645	3,557	11,211	12,204
1970	70,664	19,393	622	3,347	4,498	14,950	3,679	11,577	12,597
SEASONALLY ADJUSTED									
1970—Apr	71,149	19,795	622	3,426	4,468	14,991	3,673	11,564	12,610
May	70,839	19,572	620	3,351	4,478	14,968	3,677	11,572	12,601
June	70,629	19,477	620	3,324	4,511	14,927	3,679	11,532	12,559
July	70,587	19,402	618	3,314	4,539	14,933	3,676	11,514	12,591
Aug	70,414	19,271	619	3,305	4,520	14,912	3,670	11,521	12,596
Sept	70,531	19,285	621	3,262	4,511	14,961	3,684	11,622	12,585
Oct	70,182	18,684	621	3,278	4,509	15,011	3,696	11,665	12,718
Nov	70,085	18,538	625	3,303	4,493	14,945	3,711	11,695	12,775
Dec	70,303	18,842	625	3,319	4,437	14,851	3,723	11,727	12,779
1971—Jan	70,652	18,807	625	3,241	4,499	15,133	3,746	11,778	12,823
Feb	70,590	18,728	623	3,198	4,521	15,141	3,745	11,785	12,849
Mar	70,659	18,672	624	3,254	4,516	15,151	3,753	11,803	12,886
Apr.[p]	70,696	18,668	623	3,291	4,486	15,155	3,766	11,798	12,909
May[p]	70,826	18,698	625	3,271	4,498	15,232	3,784	11,785	12,933
NOT SEASONALLY ADJUSTED									
1970—Apr	70,758	19,627	616	3,286	4,432	14,818	3,658	11,564	12,757
May	70,780	19,432	620	3,344	4,469	14,878	3,670	11,641	12,726
June	71,385	19,627	635	3,504	4,561	14,994	3,708	11,717	12,639
July	70,602	19,325	635	3,572	4,593	14,924	3,738	11,698	12,117
Aug	70,527	19,446	636	3,606	4,574	14,869	3,732	11,648	12,016
Sept	70,922	19,512	628	3,500	4,561	14,936	3,695	11,634	12,456
Oct	70,692	18,850	622	3,471	4,527	15,038	3,689	11,677	12,818
Nov	70,644	18,645	623	3,379	4,515	15,191	3,697	11,660	12,934
Dec	71,234	18,864	621	3,226	4,446	15,744	3,704	11,645	12,984
1971—Jan	69,622	18,622	611	2,910	4,427	14,899	3,701	11,554	12,898
Feb	69,533	18,568	606	2,833	4,444	14,757	3,708	11,608	13,009
Mar	69,875	18,528	608	2,955	4,457	14,831	3,727	11,697	13,072
Apr.[p]	70,356	18,506	617	3,156	4,450	15,015	3,751	11,798	13,063
May[p]	70,775	18,562	625	3,264	4,489	15,140	3,776	11,856	13,063

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces are excluded.

Data on total and government employment have been revised back to 1964 due to adjustment of State and local government series to Oct. 1967 *Census of Governments*.

Beginning with 1968, series has been adjusted to Mar. 1969 benchmark.

PRODUCTION WORKER EMPLOYMENT IN MANUFACTURING INDUSTRIES

(In thousands of persons)

Industry group	Seasonally adjusted[1] 1970 May	1971 Mar.	1971 Apr.^{p}	1971 May^p	Not seasonally adjusted[1] 1970 May	1971 Mar.	1971 Apr.^{p}	1971 May^p
Total	**14,180**	**13,496**	**13,518**	**13,541**	**14,061**	**13,372**	**13,374**	**13,430**
Durable goods	**8,186**	**7,592**	**7,607**	**7,629**	**8,164**	**7,563**	**7,575**	**7,609**
Ordnance and accessories	141	102	99	100	139	102	99	98
Lumber and wood products	501	496	495	499	499	483	485	497
Furniture and fixtures	375	370	372	377	371	368	368	372
Stone, clay, and glass products	506	493	494	495	506	480	490	495
Primary metal industries	1,037	996	995	996	1,047	998	1,003	1,006
Fabricated metal products	1,060	989	1,020	1,021	1,054	982	1,012	1,015
Machinery	1,340	1,170	1,160	1,155	1,343	1,181	1,168	1,157
Electrical equipment and supplies	1,294	1,179	1,176	1,191	1,274	1,171	1,161	1,173
Transportation equipment	1,317	1,226	1,226	1,220	1,322	1,239	1,228	1,225
Instruments and related products	286	255	255	257	284	255	254	256
Miscellaneous manufacturing industries	329	316	315	318	325	304	307	315
Nondurable goods	**5,994**	**5,904**	**5,911**	**5,912**	**5,897**	**5,809**	**5,799**	**5,821**
Food and kindred products	1,216	1,197	1,191	1,178	1,150	1,117	1,113	1,115
Tobacco manufactures	68	61	63	62	58	56	54	53
Textile-mill products	852	826	826	828	849	823	823	825
Apparel and related products	1,206	1,212	1,219	1,222	1,202	1,219	1,208	1,219
Paper and allied products	551	530	531	529	546	524	526	524
Printing, publishing, and allied industries	681	670	667	669	678	669	667	667
Chemicals and allied products	606	591	591	595	607	592	595	596
Petroleum refining and related industries	118	118	117	117	118	114	115	117
Rubber and misc. plastic products	412	431	433	441	408	427	429	436
Leather and leather products	284	268	273	271	281	268	269	269

[1] Data adjusted to 1969 benchmark.

NOTE.—Bureau of Labor Statistics; data cover production and related workers only (full- and part-time) who worked during, or received pay for, the pay period that includes the 12th of the month.

HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING INDUSTRIES

Industry group	Average hours worked[1] (per week; S.A.) 1970 May	1971 Mar.	1971 Apr.^{p}	1971 May^p	Average weekly earnings[1] (dollars per week; N.S.A.) 1970 May	1971 Mar.	1971 Apr.^{p}	1971 May^p	Average hourly earnings[1] (dollars per hour; N.S.A.) 1970 May	1971 Mar.	1971 Apr.^{p}	1971 May^p
Total	**39.8**	**39.9**	**39.7**	**39.9**	**132.93**	**139.74**	**139.08**	**141.65**	**3.34**	**3.52**	**3.53**	**3.55**
Durable goods	**40.3**	**40.5**	**40.1**	**40.5**	**143.07**	**151.50**	**150.02**	**153.09**	**3.55**	**3.75**	**3.76**	**3.78**
Ordnance and accessories	40.8	42.1	41.6	41.8	146.47	157.59	157.35	160.09	3.59	3.77	3.81	3.83
Lumber and wood products	39.7	40.0	40.1	40.1	117.09	122.40	123.11	126.77	2.92	3.06	3.07	3.13
Furniture and fixtures	38.8	39.7	39.5	40.1	105.88	112.29	111.25	114.34	2.75	2.85	2.86	2.88
Stone, clay, and glass products	41.3	41.8	41.2	41.4	140.27	147.44	147.55	151.01	3.38	3.57	3.59	3.63
Primary metal industries	40.2	40.7	40.7	41.1	157.56	168.50	170.97	173.46	3.90	4.13	4.17	4.20
Fabricated metal products	40.6	40.3	40.0	40.4	143.26	146.40	146.89	156.26	3.52	3.66	3.70	3.71
Machinery	41.1	40.2	40.0	40.4	154.95	159.17	158.00	159.98	3.77	3.93	3.95	3.96
Electrical equipment and supplies	39.7	39.8	39.8	40.0	129.49	137.76	136.72	139.65	3.27	3.47	3.47	3.50
Transportation equipment	40.3	41.9	40.2	40.5	164.02	183.40	175.08	180.67	4.06	4.43	4.41	4.45
Instruments and related products	40.1	39.7	39.7	39.9	132.00	137.76	137.46	139.30	3.30	3.47	3.48	3.50
Miscellaneous manufacturing industries	38.7	38.8	38.7	38.8	108.47	114.07	113.58	113.78	2.81	2.94	2.95	2.94
Nondurable goods	**39.1**	**39.1**	**39.2**	**39.3**	**118.95**	**124.87**	**125.32**	**127.01**	**3.05**	**3.21**	**3.23**	**3.24**
Food and kindred products	40.7	40.4	40.4	40.4	127.98	133.27	134.19	135.07	3.16	3.34	3.38	3.36
Tobacco manufactures	37.1	37.9	38.9	39.0	110.03	114.45	120.64	125.39	2.99	3.11	3.20	3.24
Textile-mill products	39.8	40.3	40.6	40.9	96.47	102.75	101.75	104.86	2.43	2.55	2.55	2.57
Apparel and related products	35.1	35.2	35.0	35.1	82.84	87.79	85.85	86.70	2.36	2.48	2.46	2.47
Paper and allied products	41.8	41.8	42.2	42.1	142.12	149.76	150.90	152.82	3.40	3.60	3.61	3.63
Printing, publishing, and allied industries	37.7	37.5	37.5	37.7	145.89	153.38	154.05	156.79	3.88	4.09	4.13	4.17
Chemicals and allied products	41.5	41.4	41.7	41.7	151.42	158.98	162.15	161.77	3.64	3.84	3.87	3.87
Petroleum refining and related industries	42.5	42.2	42.0	42.4	181.90	187.26	193.31	195.57	4.25	4.48	4.57	4.58
Rubber and misc. plastic products	40.0	40.2	40.3	40.4	123.29	132.47	133.27	135.41	3.09	3.32	3.34	3.36
Leather and leather products	37.7	37.4	38.3	38.1	93.38	96.09	95.98	98.16	2.49	2.59	2.58	2.59

[1] Data adjusted to 1969 benchmark.

NOTE.—Bureau of Labor Statistics; data are for production and related workers only.

CONSUMER PRICES

(1967 = 100)

Period	All items	Food	Housing						Apparel and upkeep	Transportation	Health and recreation				
			Total	Rent	Home-ownership	Fuel oil and coal	Gas and electricity	Furnishings and operation			Total	Medical care	Personal care	Reading and recreation	Other goods and services
1929	51.3	48.3	......	76.0	......	......	......	......	48.5	......	......	......	......	......	......
1933	38.8	30.6	......	54.1	......	......	......	......	36.9	......	......	......	......	......	......
1941	44.1	38.4	53.7	57.2	......	40.5	81.4	......	44.8	44.2	......	37.0	41.2	47.7	49.2
1945	53.9	50.7	59.1	58.8	......	48.0	79.6	......	61.5	47.8	......	42.1	55.1	62.4	56.9
1960	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	89.6	89.6	85.1	79.1	90.1	87.3	87.8
1961	89.6	89.1	90.9	92.9	86.9	91.0	99.4	93.7	90.4	90.6	86.7	81.4	90.6	89.3	88.5
1962	90.6	89.9	91.7	94.0	87.9	91.5	99.4	93.8	90.9	92.5	88.4	83.5	92.2	91.3	89.1
1963	91.7	91.2	92.7	95.0	89.0	93.2	99.4	94.6	91.9	93.0	90.0	85.6	93.4	92.8	90.6
1964	92.9	92.4	93.8	95.9	90.8	92.7	99.4	95.0	92.7	94.3	91.8	87.3	94.5	95.0	92.0
1965	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2
1966	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6
1969	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1
1970—Apr.	115.2	114.6	117.6	109.1	126.5	108.3	106.6	112.8	115.0	111.2	114.9	119.1	112.4	111.9	114.7
May	115.7	114.9	118.2	109.4	127.5	108.4	106.7	113.2	115.7	112.1	115.4	119.7	112.8	112.6	115.1
June	116.3	115.2	118.6	109.8	128.5	108.6	106.3	113.5	116.0	112.7	116.1	120.5	112.7	113.3	115.7
July	116.7	115.8	119.2	110.1	129.0	109.6	106.6	113.7	115.3	113.4	116.6	121.3	113.1	113.7	116.2
Aug.	116.9	115.9	119.9	110.5	130.0	110.1	107.3	113.9	115.4	112.7	117.2	122.0	113.7	114.2	116.8
Sept.	117.5	115.7	120.6	110.9	131.3	111.4	107.6	114.2	117.2	113.0	117.7	122.6	114.0	114.7	117.4
Oct.	118.1	115.5	121.2	111.4	131.9	112.5	108.8	114.5	118.2	115.2	118.2	122.8	114.4	115.2	118.0
Nov.	118.5	114.9	121.9	111.8	132.5	113.9	109.9	115.1	119.0	116.0	118.7	123.4	114.5	116.0	118.3
Dec.	119.1	115.3	122.6	112.6	133.4	114.9	110.7	115.3	119.2	116.9	119.1	124.2	115.0	116.2	118.5
1971—Jan.	119.2	115.5	122.7	112.9	133.4	116.7	111.5	115.4	117.6	117.5	119.8	124.9	115.3	117.3	118.9
Feb.	119.4	115.9	122.6	113.6	132.3	117.2	112.8	115.9	118.1	117.5	120.2	125.8	115.4	117.5	119.1
Mar.	119.8	117.0	122.4	113.9	131.2	117.4	113.3	116.4	118.6	117.8	120.6	126.8	115.8	117.7	119.4
Apr.	120.2	117.8	122.5	114.4	130.9	117.3	113.9	117.0	119.1	118.1	121.2	127.5	116.3	118.4	119.7

NOTE.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100)

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities												
				Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Nonmetallic minerals	Transportation equipment[1]	Miscellaneous
1960	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2	......	93.0
1961	94.5	96.3	91.0	94.8	97.7	91.7	97.2	100.7	99.2	91.0	95.2	91.9	91.9	98.4	97.6	......	93.3
1962	94.8	98.0	91.9	94.8	98.6	92.7	96.7	99.1	96.3	91.6	96.3	91.2	92.0	97.7	97.6	......	93.7
1963	94.5	96.0	92.5	94.7	98.5	90.0	96.3	97.9	96.8	93.5	95.6	91.3	92.2	97.0	97.1	......	94.5
1964	94.7	94.6	92.3	95.2	99.2	90.3	93.7	98.3	95.5	95.4	95.4	93.8	92.8	97.4	97.3	......	95.2
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5	......	95.9
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4	......	97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	......	100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7	......	102.2
1969	106.5	108.8	107.3	106.0	105.9	108.6	101.0	99.9	105.4	125.2	104.2	108.5	106.4	104.9	108.1	100.7	104.9
1970—May	110.1	111.3	111.1	109.7	107.2	110.4	105.3	102.2	107.5	114.8	108.2	117.4	110.6	107.1	113.0	103.2	108.1
June	110.3	111.6	111.7	109.8	107.2	109.9	104.8	102.1	107.4	114.0	108.1	117.8	111.0	107.4	113.0	103.3	110.7
July	110.9	113.4	113.3	110.0	107.1	109.8	105.1	102.5	109.0	113.5	108.4	117.7	111.5	107.6	113.2	103.2	111.1
Aug.	110.5	108.5	112.9	110.2	107.4	109.8	105.8	102.7	109.7	114.0	108.2	117.5	111.6	107.7	113.6	103.3	111.2
Sept.	111.0	112.1	113.0	110.4	107.5	109.9	107.1	102.5	109.4	114.2	108.3	117.4	112.1	107.8	113.8	103.6	111.5
Oct.	111.0	107.8	111.8	111.3	107.3	110.4	108.7	103.0	109.5	113.1	108.9	117.7	112.7	108.0	114.2	108.2	111.6
Nov.	110.9	107.0	111.7	111.3	107.1	110.9	109.7	103.3	109.1	111.9	108.7	116.8	113.1	108.4	114.6	108.5	111.8
Dec.	111.0	107.1	110.7	111.7	106.7	110.4	112.8	103.3	109.4	111.1	108.5	116.2	113.8	108.7	115.1	108.9	111.9
1971—Jan.	111.8	108.9	111.8	112.2	106.9	111.7	113.5	103.8	108.4	112.2	109.0	116.5	114.2	109.3	118.8	109.5	112.3
Feb.	112.8	113.9	113.3	112.5	106.7	112.4	113.0	104.2	109.1	117.5	109.3	116.4	114.6	109.7	119.0	109.7	112.6
Mar.	113.0	113.0	113.7	112.8	106.9	112.5	112.8	104.5	109.1	123.4	109.3	116.5	114.9	109.6	120.9	109.5	112.8
Apr.	113.3	113.0	113.5	113.3	107.5	114.0	113.0	104.5	109.0	124.6	109.6	117.8	115.0	109.7	121.6	109.7	112.7
May	113.8	114.0	114.5	113.7	107.8	114.4	114.2	104.3	108.7	124.9	109.9	118.5	115.3	109.9	121.8	109.8	112.5

[1] For transportation equipment, Dec. 1968=100.

WHOLESALE PRICES: DETAIL

(1967=100)

Group	1970 May	1971 Mar.	1971 Apr.	1971 May
Farm products:				
Fresh and dried produce	121.6	125.3	120.8	127.5
Grains	95.9	108.4	106.8	107.2
Livestock	120.9	114.9	116.9	119.0
Live poultry	102.2	100.1	99.5	101.3
Plant and animal fibers	91.0	88.9	89.4	90.3
Fluid milk	114.4	118.1	119.7	118.7
Eggs	94.5	101.2	104.4	92.4
Hay and seeds	96.3	107.6	104.8	106.8
Other farm products	115.5	116.1	114.4	113.6
Processed foods and feeds:				
Cereal and bakery products	106.4	111.5	111.5	111.5
Meat, poultry, and fish	116.7	112.9	113.3	116.4
Dairy products	111.1	115.0	115.5	116.2
Processed fruits and vegetables	110.2	111.9	113.0	114.0
Sugar and confectionery	114.5	119.2	118.6	119.2
Beverages and beverage materials	113.0	115.3	115.6	115.7
Animal fats and oils	140.0	142.1	135.9	131.5
Crude vegetable oils	118.8	128.8	120.4	120.6
Refined vegetable oils	115.3	152.5	125.2	128.3
Vegetable oil end products	110.9	119.4	119.4	118.5
Miscellaneous processed foods	110.2	113.7	114.3	113.9
Manufactured animal feeds	97.5	107.2	104.4	104.6
Textile products and apparel:				
Cotton products	105.1	107.8	108.9	109.6
Wool products	100.5	94.5	94.4	93.5
Manmade fiber textile products	103.5	97.6	98.6	99.7
Apparel	110.5	112.2	112.2	112.2
Textile housefurnishings	102.5	103.5	103.5	104.3
Miscellaneous textile products	106.7	106.7	118.7	113.6
Hides, skins, leather, and products:				
Hides and skins	108.1	105.5	121.1	121.4
Leather	109.2	108.6	111.0	113.0
Footwear	112.9	116.5	116.6	116.7
Other leather products	106.3	107.5	107.7	107.9
Fuels and related products, and power:				
Coal	142.2	176.0	184.0	182.8
Coke	124.6	145.9	145.9	147.6
Gas fuels	101.8	109.4	105.9	106.9
Electric power	103.5	111.1	112.3	112.6
Crude petroleum	106.0	113.2	113.2	113.2
Petroleum products, refined	102.0	105.9	105.3	107.4
Chemicals and allied products:				
Industrial chemicals	100.8	102.2	101.9	101.5
Prepared paint	112.4	115.1	115.9	115.9
Paint materials	102.5	103.5	103.5	103.5
Drugs and pharmaceuticals	100.7	102.6	102.0	101.9
Fats and oils, inedible	131.4	144.3	143.0	138.8
Agricultural chemicals and products	88.5	93.9	94.1	93.8
Plastic resins and materials	90.6	87.3	88.2	88.2
Other chemicals and products	108.7	111.5	111.8	112.1
Rubber and plastic products: [1]				
Crude rubber	102.2	99.1	99.8	100.6
Tires and tubes	105.9	107.5	107.5	107.5
Miscellaneous rubber products	112.7	117.2	116.3	116.3
Plastic construction products (Dec. 1969=100)	97.6	95.9	95.5	94.6
Unsupported plastic film and sheeting (Dec. 1970=100)	....	102.7	102.6	102.2
Laminated sheets, high pressure (Dec. 1970=100)	....	99.5	101.0	99.1
Lumber and wood products:				
Lumber	114.7	129.0	131.5	132.8
Millwork	116.8	116.2	118.6	120.3
Plywood	111.5	120.2	115.6	111.0
Other wood products	117.2	118.3	119.3	119.2

Group	1970 May	1971 Mar.	1971 Apr.	1971 May
Pulp, paper, and allied products:				
Pulp, paper and products, excluding building paper and board	108.4	109.6	109.9	110.2
Woodpulp	107.1	112.2	112.2	112.4
Wastepaper	133.4	104.8	107.7	107.6
Paper	110.5	113.1	114.3	114.2
Paperboard	101.8	102.5	103.0	102.6
Converted paper and paperboard	108.1	109.0	108.8	109.4
Building paper and board	101.5	101.4	101.7	102.7
Metals and metal products:				
Iron and steel	114.8	118.2	118.4	120.1
Steelmill products	113.8	118.0	118.5	120.7
Nonferrous metals	130.0	113.7	117.2	117.2
Metal containers	111.7	115.8	123.1	123.1
Hardware	110.2	115.5	115.6	115.6
Plumbing equipment	112.2	113.2	114.9	115.8
Heating equipment	109.7	114.5	114.7	115.1
Fabricated structural metal products	111.4	116.6	116.8	117.3
Miscellaneous metal products	112.6	117.9	118.0	118.2
Machinery and equipment:				
Agricultural machinery and equip.	112.3	116.5	116.7	116.6
Construction machinery and equip.	114.4	120.8	120.9	121.1
Metalworking machinery and equip.	114.1	116.0	116.6	117.4
General purpose machinery and equipment	112.6	117.8	118.3	118.7
Special industry machinery and equipment	114.8	119.3	119.7	120.4
Electrical machinery and equip.	105.6	109.7	109.5	109.4
Miscellaneous machinery	112.4	116.3	117.0	117.2
Furniture and household durables:				
Household furniture	111.5	114.0	114.1	115.0
Commercial furniture	112.6	118.2	118.1	118.1
Floor coverings	99.3	100.2	99.8	99.8
Household appliances	105.2	107.0	107.1	107.1
Home electronic equipment	93.2	93.7	93.7	93.7
Other household durable goods	115.7	119.8	120.1	120.1
Nonmetallic mineral products:				
Flat glass	115.4	125.3	126.2	124.4
Concrete ingredients	115.3	120.6	121.0	121.2
Concrete products	111.4	118.5	119.4	119.6
Structural clay products excluding refractories	109.8	113.6	114.5	114.5
Refractories	120.1	126.7	126.7	126.7
Asphalt roofing	101.2	123.6	123.6	123.6
Gypsum products	101.2	98.9	101.0	101.2
Glass containers	119.6	131.5	131.5	131.5
Other nonmetallic minerals	111.5	121.4	122.0	124.8
Transportation equipment:				
Motor vehicles and equipment	107.0	113.8	114.1	114.2
Railroad equipment	114.9	119.9	119.9	120.4
Miscellaneous products:				
Toys, sporting goods, small arms, ammunition	108.8	113.1	112.5	112.4
Tobacco products	109.9	116.9	116.5	116.5
Notions	107.6	111.7	111.7	111.7
Photographic equipment and supplies	104.5	105.8	105.8	105.9
Other miscellaneous products	107.9	111.8	112.2	111.6

[1] Retitled to include the direct pricing of plastic construction products; continuity of the group index is not affected.

NOTE.—Bureau of Labor Statistics indexes.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1966	1967	1968	1969	1970	1970 I	1970 II	1970 III	1970 IV	1971 I
Gross national product	103.1	55.6	124.5	284.8	749.9	793.9	865.0	931.4	976.5	959.5	971.1	985.5	989.9	1,020.7
Final purchases	*101.4*	*57.2*	*120.1*	*278.0*	*735.1*	*785.7*	*857.4*	*922.9*	*973.1*	*957.9*	*968.1*	*980.0*	*986.3*	*1,019.3*
Personal consumption expenditures	77.2	45.8	80.6	191.0	466.3	492.1	535.8	577.5	616.7	603.1	614.4	622.1	627.0	646.4
Durable goods	9.2	3.5	9.6	30.5	70.8	73.1	84.0	90.0	89.4	89.1	91.9	91.2	85.3	97.5
Nondurable goods	37.7	22.3	42.9	98.1	206.9	215.0	230.2	245.8	264.7	258.8	262.6	265.8	271.5	272.8
Services	30.3	20.1	28.1	62.4	188.6	204.0	221.6	241.6	262.6	255.2	259.9	265.1	270.2	276.1
Gross private domestic investment	16.2	1.4	17.9	54.1	121.4	116.6	126.5	139.8	135.7	133.2	134.3	138.3	137.1	142.4
Fixed investment	*14.5*	*3.0*	*13.4*	*47.3*	*106.6*	*108.4*	*118.9*	*131.4*	*132.3*	*131.6*	*131.2*	*132.7*	*133.5*	*141.0*
Nonresidential	*10.6*	*2.4*	*9.5*	*27.9*	*81.6*	*83.3*	*88.7*	*99.3*	*102.6*	*102.6*	*102.8*	*103.6*	*101.3*	*105.1*
Structures	5.0	.9	2.9	9.2	28.5	28.0	29.6	33.8	35.2	35.7	35.3	35.0	34.7	36.1
Producers' durable equipment	5.6	1.5	6.6	18.7	53.1	55.3	59.1	65.5	67.4	66.9	67.5	68.6	66.6	69.0
Residential structures	4.0	.6	3.9	19.4	25.0	25.1	30.3	32.0	29.7	29.1	28.4	29.2	32.2	35.8
Nonfarm	3.8	.5	3.7	18.6	24.5	24.5	29.7	31.5	29.1	28.4	27.8	28.6	31.6	35.2
Change in business inventories	1.7	−1.6	4.5	6.8	14.8	8.2	7.6	8.5	3.5	1.6	3.1	5.5	3.6	1.4
Nonfarm	1.8	−1.4	4.0	6.0	15.0	7.5	7.5	8.0	2.9	.9	2.6	5.0	3.0	1.2
Net exports of goods and services	1.1	.4	1.3	1.8	5.3	5.2	2.5	1.9	3.6	3.5	4.1	4.2	2.6	3.3
Exports	7.0	2.4	5.9	13.8	43.4	46.2	50.6	55.5	62.2	61.1	62.8	62.8	62.0	64.6
Imports	5.9	2.0	4.6	12.0	38.1	41.0	48.1	53.6	58.6	57.6	58.7	58.6	59.3	61.3
Government purchases of goods and services	8.5	8.0	24.8	37.9	156.8	180.1	200.2	212.2	220.5	219.6	218.4	221.0	223.2	228.7
Federal	*1.3*	*2.0*	*16.9*	*18.4*	*77.8*	*90.7*	*99.5*	*101.3*	*99.7*	*102.3*	*99.7*	*98.6*	*98.2*	*98.4*
National defense	......	......	13.8	14.1	60.7	72.4	78.0	78.8	76.6	79.3	76.8	75.8	74.6	74.0
Other	......	......	3.1	4.3	17.1	18.4	21.5	22.6	23.1	23.0	22.9	22.9	23.5	24.5
State and local	7.2	6.0	7.9	19.5	79.0	89.4	100.7	110.8	120.9	117.4	118.7	122.4	125.0	130.2
Gross national product in constant (1958) dollars	203.6	141.5	263.7	355.3	658.1	675.2	707.2	727.1	724.1	723.8	724.9	727.4	720.3	732.7

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business*, July 1968, July 1969, July 1970, and Supplement, Aug. 1966.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1966	1967	1968	1969	1970	1970 I	1970 II	1970 III	1970 IV	1971 I^p
National income	86.8	40.3	104.2	241.1	620.6	653.6	712.7	769.5	800.1	791.5	797.4	806.6	804.8	833.2
Compensation of employees	51.1	29.5	64.8	154.6	435.5	467.2	514.1	564.2	599.8	592.2	596.4	603.8	606.7	625.2
Wages and salaries	*50.4*	*29.0*	*62.1*	*146.8*	*394.5*	*423.1*	*464.8*	*509.0*	*540.1*	*534.4*	*537.4*	*543.4*	*545.2*	*560.6*
Private	45.5	23.9	51.9	124.4	316.8	337.3	369.1	404.9	426.1	422.6	424.0	428.9	429.1	440.7
Military	.3	.3	1.9	5.0	14.6	16.2	17.9	19.0	19.3	20.1	19.5	19.1	18.6	19.2
Government civilian	4.6	4.9	8.3	17.4	63.1	69.5	77.8	85.1	94.6	91.7	93.9	95.4	97.5	100.6
Supplements to wages and salaries	*.7*	*.5*	*2.7*	*7.8*	*41.0*	*44.2*	*49.3*	*55.1*	*59.7*	*57.9*	*59.0*	*60.4*	*61.4*	*64.6*
Employer contributions for social insurance	.1	.1	2.0	4.0	20.3	21.9	24.3	27.5	29.3	28.6	29.0	29.6	29.9	32.5
Other labor income	.6	.4	.7	3.8	20.7	22.3	24.9	27.6	30.4	29.3	30.0	30.8	31.5	32.1
Proprietors' income	15.1	5.9	17.5	37.5	61.3	62.1	64.1	66.8	67.6	67.6	67.8	67.8	67.4	67.0
Business and professional	9.0	3.3	11.1	24.0	45.2	47.3	49.1	50.5	51.4	50.6	51.2	51.7	52.0	52.2
Farm	6.2	2.6	6.4	13.5	16.1	14.8	15.0	16.4	16.2	17.0	16.5	16.1	15.3	14.7
Rental income of persons	5.4	2.0	3.5	9.4	20.0	21.1	21.3	22.0	22.7	22.5	22.6	22.7	23.0	23.1
Corporate profits and inventory valuation adjustment	10.5	−1.2	15.2	37.7	82.4	78.7	85.4	85.8	76.5	76.7	77.5	78.4	73.3	82.7
Profits before tax	*10.0*	*1.0*	*17.7*	*42.6*	*84.2*	*79.8*	*88.7*	*91.2*	*81.3*	*82.6*	*82.0*	*84.4*	*76.3*	*86.4*
Profits tax liability	1.4	.5	7.6	17.8	34.3	33.2	40.6	42.7	37.5	38.0	38.1	38.9	34.8	38.9
Profits after tax	*8.6*	*.4*	*10.1*	*24.9*	*49.9*	*46.6*	*48.2*	*48.5*	*43.8*	*44.6*	*43.9*	*45.4*	*41.4*	*47.5*
Dividends	5.8	2.0	4.4	8.8	20.8	21.4	23.3	24.7	25.2	25.2	25.1	25.4	25.1	25.8
Undistributed profits	2.8	−1.6	5.7	16.0	29.1	25.3	24.9	23.9	18.6	19.4	18.8	20.0	16.3	21.7
Inventory valuation adjustment	.5	−2.1	−2.5	−5.0	−1.8	−1.1	−3.3	−5.4	−4.8	−5.8	−4.5	−5.9	−3.0	−3.7
Net interest	4.7	4.1	3.2	2.0	21.4	24.4	27.8	30.7	33.5	32.4	33.1	33.8	34.5	35.2

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1929	1933	1941	1950	1966	1967	1968	1969	1970	1970				1971
										I	II	III	IV	I^p
Gross national product	**103.1**	**55.6**	**124.5**	**284.8**	**749.9**	**793.9**	**865.0**	**931.4**	**976.5**	**959.5**	**971.1**	**985.5**	**989.9**	**1,020.7**
Less: Capital consumption allowances	7.9	7.0	8.2	18.3	63.9	68.9	74.0	78.9	84.3	82.1	83.6	85.0	86.5	88.4
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	65.7	70.4	78.1	85.2	92.1	89.3	91.1	93.3	94.5	97.9
Business transfer payments	.6	.7	.5	.8	3.0	3.1	3.3	3.5	3.6	3.6	3.6	3.6	3.7	3.7
Statistical discrepancy	.7	.6	.4	1.5	1.0	−.7	−2.4	−4.7	−1.8	−5.4	−3.1	−1.1	2.4	−.4
Plus: Subsidies less current surplus of government enterprises	−.1	.....	.1	.2	2.3	1.4	.7	1.0	1.8	1.6	1.5	1.8	2.1	2.0
Equals: National income	**86.8**	**40.3**	**104.2**	**241.1**	**620.6**	**653.6**	**712.7**	**769.5**	**800.1**	**791.5**	**797.4**	**806.6**	**804.8**	**833.2**
Less: Corporate profits and inventory valuation adjustment	10.5	−1.2	15.2	37.7	82.4	78.7	85.4	85.8	76.5	76.7	77.5	78.4	73.3	82.7
Contributions for social insurance	.2	.3	2.8	6.9	38.0	42.4	47.1	53.6	57.1	56.0	56.7	57.6	58.1	63.2
Excess of wage accruals over disbursements	.....	.....	.....	.....	.....	.....	.....	.....	.....	2.5	−2.1	−.4	.....	.....
Plus: Government transfer payments	.9	1.5	2.6	14.3	41.1	48.7	55.7	61.6	73.9	66.3	75.8	75.1	78.5	82.3
Net interest paid by government and consumers	2.5	1.6	2.2	7.2	22.2	23.6	26.3	29.0	31.8	31.0	31.4	32.2	32.5	32.5
Dividends	5.8	2.0	4.4	8.8	20.8	21.4	23.3	24.7	25.2	25.2	25.1	25.4	25.1	25.8
Business transfer payments	.6	.7	.5	.8	3.0	3.1	3.3	3.5	3.6	3.6	3.6	3.6	3.7	3.7
Equals: Personal income	**85.9**	**47.0**	**96.0**	**227.6**	**587.2**	**629.3**	**688.7**	**748.9**	**801.0**	**782.3**	**801.3**	**807.2**	**813.3**	**831.5**
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	75.4	83.0	97.5	117.3	116.3	117.0	117.7	114.2	116.1	116.4
Equals: Disposable personal income	**83.3**	**45.5**	**92.7**	**206.9**	**511.9**	**546.3**	**591.2**	**631.6**	**684.8**	**665.3**	**683.6**	**693.0**	**697.2**	**715.1**
Less: Personal outlays	79.1	46.5	81.7	193.9	479.3	506.0	550.8	593.9	634.6	620.5	632.1	640.2	645.5	665.3
Personal consumption expenditures	77.2	45.8	80.6	191.0	466.3	492.1	535.8	577.5	616.7	603.1	614.4	622.1	627.0	646.4
Consumer interest payments	1.5	.5	.9	2.4	12.4	13.2	14.3	15.7	17.0	16.4	16.8	17.2	17.5	17.9
Personal transfer payments to foreigners	.3	.2	.2	.5	.6	.7	.7	.8	.9	.9	1.0	1.0	.9	1.0
Equals: Personal saving	**4.2**	**−.9**	**11.0**	**13.1**	**32.5**	**40.4**	**40.4**	**37.6**	**50.2**	**44.8**	**51.5**	**52.7**	**51.8**	**49.8**
Disposable personal income in constant (1958) dollars	**150.6**	**112.2**	**190.3**	**249.6**	**458.9**	**477.5**	**499.0**	**511.5**	**529.8**	**522.9**	**532.0**	**534.2**	**530.0**	**538.3**

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

PERSONAL INCOME

(In billions of dollars)

Item	1969	1970	1970									1971			
			Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.^p
Total personal income	**748.9**	**801.0**	**806.0**	**799.7**	**798.2**	**803.3**	**806.4**	**811.9**	**809.9**	**812.6**	**817.5**	**827.4**	**830.4**	**836.8**	**841.3**
Wage and salary disbursements	509.0	540.1	539.9	540.5	538.1	541.5	543.2	546.6	541.8	544.1	549.8	557.8	559.8	564.2	567.0
Commodity-producing industries	197.5	201.2	202.3	200.9	201.3	202.1	202.0	201.5	196.8	196.8	202.3	203.0	202.5	204.5	205.1
Manufacturing only	*157.5*	*158.9*	*160.0*	*159.2*	*159.5*	*160.1*	*159.6*	*159.5*	*154.3*	*153.6*	*158.9*	*160.2*	*159.8*	*160.8*	*160.9*
Distributive industries	119.8	128.4	126.0	127.2	127.9	129.1	129.7	130.2	130.6	131.4	130.5	133.4	134.2	135.4	136.4
Service industries	87.7	96.6	95.1	95.5	95.7	96.8	97.3	97.9	98.8	99.8	100.4	102.2	103.1	103.9	104.5
Government	104.1	114.0	116.5	116.9	113.2	113.5	114.2	117.0	115.6	116.1	116.6	119.2	120.0	120.4	121.0
Other labor income	27.6	30.4	29.8	30.0	30.3	30.6	30.8	31.1	31.3	31.5	31.7	31.9	32.1	32.3	32.5
Proprietors' income	66.8	67.6	67.9	67.8	67.7	67.8	67.8	67.8	67.6	67.3	67.1	67.1	66.8	67.0	67.0
Business and professional	50.5	51.4	51.0	51.3	51.5	51.6	51.7	51.8	51.9	52.0	52.1	52.2	52.1	52.3	52.4
Farm	16.4	16.2	16.9	16.5	16.2	16.2	16.1	16.0	15.7	15.3	15.0	14.9	14.7	14.7	14.6
Rental income	22.0	22.7	22.6	22.6	22.7	22.7	22.7	22.8	22.9	23.0	23.1	23.2	22.8	23.3	23.4
Dividends	24.7	25.2	25.2	25.3	24.7	25.2	25.3	25.5	25.6	25.7	24.1	25.9	25.9	25.7	25.7
Personal interest income	59.7	65.2	64.2	64.5	64.8	65.3	66.0	66.8	67.0	67.1	67.1	67.5	67.7	67.7	67.9
Transfer payments	65.1	77.6	84.1	76.6	77.6	78.1	78.6	79.6	81.7	81.9	82.9	84.5	86.0	87.6	88.8
Less: Personal contributions for social insurance	26.0	27.8	27.7	27.7	27.6	27.8	28.0	28.2	28.0	28.1	28.4	30.6	30.7	30.9	31.1
Nonagricultural income	**726.7**	**778.6**	**783.0**	**777.0**	**775.7**	**780.9**	**784.0**	**789.7**	**787.9**	**791.0**	**796.2**	**806.2**	**809.2**	**815.7**	**820.2**
Agriculture income	**22.2**	**22.4**	**23.0**	**22.7**	**22.4**	**22.4**	**22.3**	**22.2**	**21.9**	**21.6**	**21.3**	**21.2**	**21.2**	**21.1**	**21.1**

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

SUMMARY OF FUNDS RAISED AND ADVANCED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970r	1968 IV	1969 I	1969 II	1969 III	1969 IV	1970r I	1970r II	1970r III	1970r IV	
							Funds raised, by type and sector									
1	**Total funds raised by nonfinancial sectors**	68.5	83.5	96.9	90.4	96.9	90.7	92.5	93.6	88.4	86.8	81.4	103.8	93.5	109.2	1
2	U.S. Government	3.5	13.0	13.4	−3.6	12.8	−7.0	−5.4	−9.5	−.7	1.2	3.0	16.0	12.2	20.0	2
3	Public debt securities	2.3	8.9	10.3	−1.3	12.9	−8.4	−5.8	−8.8	4.9	4.9	3.5	18.1	11.4	18.5	3
4	Budget agency issues	1.2	4.1	3.1	−2.4	−.1	1.4	.5	−.7	−5.6	−3.7	−.5	−2.0	.8	1.5	4
5	*All other nonfinancial sectors*	64.9	70.5	83.5	94.1	84.1	97.7	97.9	103.0	89.1	85.7	78.3	87.7	81.4	89.2	5
6	Capital market instruments	39.9	48.9	50.2	53.9	65.0	58.3	57.6	55.1	51.2	51.7	51.6	60.7	64.3	83.2	6
7	Corporate equity shares	.9	2.4	−.7	4.8	6.8	−2.1	.3	3.6	6.0	9.2	5.9	6.0	5.4	9.9	7
8	Debt capital instruments	39.0	46.6	50.9	49.1	58.1	60.4	57.3	51.5	45.2	42.5	45.6	54.7	59.0	73.3	8
9	State and local govt. sec.	5.7	8.7	9.6	8.1	11.8	14.2	12.8	9.4	5.6	4.7	8.9	10.2	8.9	19.3	9
10	Corporate and fgn. bonds	11.0	15.9	14.0	13.1	21.1	16.3	15.8	13.3	12.1	11.1	15.0	22.4	22.2	24.8	10
11	Mortgages	22.3	22.0	27.3	27.9	25.2	29.9	28.7	28.8	27.5	26.7	21.7	22.1	27.8	29.3	11
12	*Home mortgages*	*11.4*	*11.6*	*15.2*	*15.7*	*12.3*	*16.1*	*16.5*	*16.6*	*15.7*	*13.9*	*10.7*	*11.1*	*14.2*	*13.2*	12
13	*Other residential*	*3.1*	*3.6*	*3.5*	*4.8*	*5.8*	*3.9*	*4.2*	*4.7*	*4.8*	*5.6*	*4.6*	*5.4*	*6.2*	*6.8*	13
14	*Commercial*	*5.7*	*4.7*	*6.6*	*5.5*	*5.4*	*8.0*	*5.9*	*5.1*	*5.3*	*5.8*	*4.8*	*4.2*	*5.5*	*7.1*	14
15	*Farm*	*2.1*	*2.1*	*2.1*	*1.9*	*1.8*	*1.9*	*2.2*	*2.3*	*1.8*	*1.5*	*1.5*	*1.4*	*2.0*	*2.2*	15
16	Other private credit	25.0	21.6	33.3	40.2	19.2	39.4	40.3	47.9	38.0	33.9	26.7	27.0	17.0	6.0	16
17	Bank loans n.e.c.	10.3	9.6	13.4	15.7	2.7	20.9	17.0	19.1	11.7	14.2	7.6	9.0	1.9	−7.6	17
18	Consumer credit	7.2	4.6	11.1	9.3	4.3	12.1	10.2	10.8	8.9	7.5	4.8	6.1	6.2	.2	18
19	Open market paper	1.0	2.1	1.6	3.3	3.8	.7	4.9	4.7	2.7	1.0	5.0	2.2	.5	7.5	19
20	Other	6.4	5.2	7.3	11.8	8.4	5.7	8.1	13.3	14.6	11.2	9.4	9.8	8.4	5.9	20
21	*By borrowing sector*—	64.9	70.5	83.5	94.1	84.1	97.7	97.9	103.0	89.1	85.7	78.3	87.7	81.4	89.2	21
22	Foreign	1.5	4.1	3.0	3.7	2.6	2.8	4.0	6.0	2.3	2.4	2.6	1.7	2.2	4.0	22
23	State and local governments	6.4	8.8	9.9	8.5	12.2	14.6	13.4	9.7	5.8	5.1	9.4	10.4	9.7	19.5	23
24	Households	23.2	19.7	31.8	32.2	21.1	34.7	33.0	36.0	31.5	28.2	22.9	21.4	23.8	16.4	24
25	Nonfinancial business	33.8	37.9	38.8	49.7	48.1	45.6	47.4	51.3	49.4	49.9	43.4	54.3	45.6	49.4	25
26	*Corporate*	*24.9*	*29.3*	*30.3*	*39.1*	*38.7*	*35.0*	*37.1*	*41.1*	*37.4*	*41.0*	*35.8*	*45.1*	*34.3*	*39.4*	26
27	*Nonfarm noncorporate*	*5.5*	*5.0*	*5.8*	*7.4*	*6.2*	*8.0*	*7.1*	*6.6*	*8.7*	*6.4*	*4.6*	*5.4*	*8.1*	*6.9*	27
28	*Farm*	*3.5*	*3.5*	*2.7*	*3.2*	*3.2*	*2.6*	*3.3*	*3.6*	*3.3*	*2.5*	*3.0*	*3.8*	*3.2*	*3.1*	28
							Funds advanced directly in credit markets									
1	**Total funds raised**	68.5	83.5	96.9	90.4	96.9	90.7	92.5	93.6	88.4	86.8	81.4	103.8	93.5	109.2	1
	Advanced directly by—															
2	U.S. Government	4.9	4.6	4.9	2.5	3.2	3.1	2.5	1.7	3.7	2.3	3.9	3.6	3.4	1.9	2
3	U.S. Govt. credit agencies, net	.3	.5	−.2	.2	1.2	−.8	.4	−.8	−.1	1.5	−.7	1.6	.8	2.9	3
4	Funds advanced	5.1	−.1	3.2	9.0	9.4	2.3	4.0	7.6	10.5	14.1	13.7	6.9	7.1	9.8	4
5	Less funds raised in cr. mkt.	4.8	−.6	3.5	8.8	8.2	3.1	3.6	8.4	10.6	12.5	14.4	5.4	6.3	6.9	5
6	Federal Reserve System	3.5	4.8	3.7	4.2	5.0	−4.4	4.1	4.0	−.5	9.3	1.2	5.5	7.7	5.5	6
7	Commercial banks, net	16.7	36.6	39.5	12.2	31.3	36.2	7.9	29.3	−.9	12.1	1.0	23.3	63.6	37.3	7
8	Funds advanced	16.8	36.9	39.7	16.5	29.5	36.1	8.8	33.8	4.2	18.9	10.1	27.4	52.1	28.4	8
9	Less funds raised	.1	.2	.2	4.3	−1.8	−.1	.9	4.5	5.0	6.8	9.1	4.1	−11.6	−8.9	9
10	Private nonbank finance	25.9	34.4	34.2	30.4	39.3	38.3	31.1	39.8	26.1	24.8	25.3	42.3	41.9	47.8	10
11	Savings institutions, net	7.8	16.8	14.6	10.4	14.7	16.4	15.9	13.3	6.8	5.6	4.7	15.3	18.0	20.7	11
12	Insurance	19.3	18.7	22.0	21.8	24.9	25.2	19.8	27.5	20.6	19.5	23.2	27.1	24.1	25.3	12
13	Finance n.e.c., net	−1.3	−1.1	−2.4	−1.8	−.3	−3.2	−4.6	−1.0	−1.3	−.2	−2.6	−.1	−.1	1.7	13
14	Foreign	−1.8	2.8	2.5	1.3	10.9	11.9	.2	1.0	5.1	−1.1	9.4	9.5	4.9	19.6	14
15	Private domestic nonfinancial	19.1	.2	12.3	39.5	6.1	6.5	46.5	18.6	55.0	37.9	41.2	18.0	−28.9	−5.8	15
16	Business	3.6	−.2	7.4	13.8	−1.0	2.0	15.8	14.1	18.1	7.0	15.1	12.3	−28.5	−2.9	16
17	State and local governments	3.4	2.1	.4	6.1	−3.8	3.7	8.1	2.9	7.7	5.6	−2.5	−5.3	−7.8	.4	17
18	Households	11.9	*	5.8	18.0	9.5	4.1	19.8	1.5	25.9	24.9	24.8	8.9	7.2	−2.8	18
19	Less net security credit	−.2	2.2	1.4	−1.6	−1.4	3.3	−2.7	−.2	−3.2	−.4	−3.8	−2.1	−.2	.6	19
							Sources of funds supplied to credit markets									
1	**Total borrowing by nonfinancial sectors**	68.5	83.5	96.9	90.4	96.9	90.7	92.5	93.6	88.4	86.8	81.4	103.8	93.5	109.2	1
	Supplied directly and indirectly by pvt. domestic nonfin. sectors:															
2	Total	42.8	51.3	60.8	44.2	67.2	58.1	58.9	26.8	47.1	43.8	55.1	72.1	68.3	73.6	2
3	Deposits	23.7	51.5	48.5	4.7	61.1	51.6	12.5	8.2	−7.9	5.9	13.9	54.1	97.1	79.4	3
4	Demand dep. and currency	4.0	12.4	14.8	7.1	6.2	13.1	5.9	6.6	7.6	8.2	2.0	7.0	7.3	8.6	4
5	Time and svgs. accounts	19.7	39.1	33.7	−2.4	54.9	38.5	6.6	1.6	−15.5	−2.3	11.9	47.1	89.9	70.8	5
6	*At commercial banks*	*12.5*	*22.5*	*20.8*	*−10.5*	*38.4*	*23.9*	*−6.8*	*−7.4*	*−21.3*	*−6.4*	*7.4*	*31.9*	*68.2*	*46.3*	6
7	*At savings instit.*	*7.2*	*16.6*	*12.9*	*8.1*	*16.5*	*14.6*	*13.4*	*9.0*	*5.8*	*4.2*	*4.4*	*15.2*	*21.7*	*24.5*	7
8	Credit mkt. instr., net	19.1	−.2	12.3	39.5	6.1	6.5	46.5	18.6	55.0	37.9	41.2	18.0	−28.9	5.8	8
9	*U.S. Govt. securities*	*8.5*	*−1.7*	*7.7*	*15.0*	*−7.3*	*3.0*	*21.8*	*.9*	*23.2*	*14.1*	*6.5*	*−8.2*	*−8.3*	*−19.3*	9
10	*Pvt. credit market instr.*	*11.4*	*7.8*	*13.4*	*26.9*	*14.9*	*15.9*	*27.2*	*23.6*	*29.4*	*27.3*	*37.4*	*23.8*	*−21.8*	*20.2*	10
11	Less security debt	−.2	2.2	1.4	−1.6	−1.4	3.3	−2.7	−.2	−3.2	−.4	−3.8	−2.1	−.2	.6	11
	Other sources:															
12	Foreign funds	.7	4.6	4.3	9.6	2.4	8.2	13.8	14.8	10.4	−.6	10.8	2.7	−4.5	.7	12
13	At banks	2.5	1.7	1.8	8.3	−8.4	−3.7	13.7	13.8	5.3	.5	1.3	−6.8	−9.4	−18.9	13
14	Direct	−1.8	2.8	2.5	1.3	10.9	11.9	.2	1.0	5.1	−1.1	9.4	9.5	4.9	19.6	14
15	Chg. in U.S. Govt. cash bal.	−.4	1.2	−1.1	.4	2.6	−6.8	−5.8	1.7	1.6	3.9	1.0	2.1	1.4	6.1	15
16	U.S. Government loans	4.9	4.6	4.9	2.5	3.2	3.1	2.5	1.7	3.7	2.3	3.9	3.6	3.4	1.9	16
17	Pvt. insur. and pension res.	16.7	17.5	18.5	18.7	21.0	20.0	14.9	22.4	18.7	18.9	18.7	22.7	19.8	22.8	17
18	Sources n.e.c.	3.8	4.3	9.5	15.0	.4	8.2	8.2	26.2	6.8	18.6	−8.1	.6	5.2	4.1	18

NOTE.—1970 data revised from the Mar. 1971 BULLETIN.

PRINCIPAL FINANCIAL TRANSACTIONS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970 r	1968	1969				1970 r				
							IV	I	II	III	IV	I	II	III	IV	
	Demand deposits and currency															
1	**Net incr. in banking system liability**	2.6	14.8	14.8	8.5	10.1	7.1	−1.0	10.3	11.0	13.2	5.1	9.8	8.9	16.9	1
2	U.S. Government deposits	−.4	1.1	−1.2	.6	2.5	−6.9	−5.7	1.7	1.9	4.2	1.1	2.0	.7	6.0	2
3	Money supply	3.0	13.7	16.0	7.9	7.7	14.0	4.7	8.6	9.1	9.0	4.0	7.8	8.2	10.8	3
4	Domestic sectors	3.9	13.4	15.7	7.6	7.4	13.6	4.8	8.0	8.5	9.0	2.6	8.2	8.6	10.3	4
5	Households	3.1	9.4	11.1	5.9	3.5	15.5	−.9	10.2	9.5	5.1	7.4	7.4	1.0	−1.8	5
6	Nonfinancial business	.7	.8	1.8	−.8	.3	−5.4	3.9	−5.6	−4.3	3.0	−4.3	−2.7	4.7	3.9	6
7	State and local governments	−.1	−1.0	.7	3.2	1.2	.6	2.5	3.4	3.9	2.9	−.3	1.0	1.1	3.1	7
8	Financial sectors	−.1	1.0	.9	.5	1.2	.5	−1.1	1.4	.9	.8	.5	1.2	1.4	1.7	8
9	Mail float	.3	3.2	1.2	−1.2	1.1	2.6	.3	−1.3	−1.5	−2.8	−.7	1.3	.5	3.3	9
10	Rest of the world	1.0	.3	.3	.3	.3	.4	−.1	.6	.6	*	1.4	−.4	−.5	.5	10
	Time and savings accounts															
1	**Net increase—Total**	20.2	40.8	33.3	−1.6	53.9	38.0	5.9	−.2	−15.4	3.4	16.8	44.3	87.5	67.1	1
2	At commercial banks—Total	13.3	23.8	20.6	−9.7	36.7	24.2	−7.6	−9.0	−21.2	−1.1	11.6	28.5	65.6	41.3	2
3	Corporate business	−.7	2.9	1.9	−9.8	12.8	3.9	−14.4	−9.5	−11.0	−4.2	.5	6.1	32.3	12.2	3
4	State and local governments	1.3	2.4	3.2	−5.9	9.9	3.5	−3.7	−5.0	−10.3	4.6	6.4	10.3	13.4	9.6	4
5	Foreign	.8	1.2	−.3	1.0	−1.9	.2	−.5	−1.4	.4	5.7	4.3	−3.5	−3.2	−5.1	5
6	Households	11.9	17.1	15.7	5.2	15.8	16.5	11.3	7.1	*	2.4	.5	15.5	22.5	24.5	6
7	At savings institutions	7.0	17.0	12.8	8.1	17.2	13.9	13.5	8.8	5.7	4.5	5.2	15.8	21.9	25.8	7
	Liabilities—															
8	Savings and loan assns.	3.6	10.6	7.5	4.1	11.1	8.1	8.0	4.8	2.9	.7	2.0	9.8	15.6	16.9	8
9	Mutual savings banks	2.6	5.1	4.2	2.6	4.4	4.5	3.8	2.7	1.5	2.2	1.6	4.4	4.7	7.0	9
10	Credit unions	.8	1.2	1.1	1.4	1.7	1.3	1.6	1.2	1.3	1.5	1.6	1.7	1.5	1.9	10
	Assets															
11	Households	7.2	16.6	12.9	8.1	16.5	14.6	13.4	9.0	5.8	4.2	4.4	15.2	21.7	24.5	11
12	Cr. union deps. at S & L's	−.2	.3	−.1	*	.7	−.7	.1	−.2	−.1	.3	.8	.6	.2	1.3	12
	U.S. Government securities															
1	**Total net issues**	8.7	12.5	16.7	5.5	21.1	−4.2	−.5	−1.0	10.0	13.8	17.5	21.5	18.6	26.9	1
2	Household savings bonds	.6	1.0	.4	−.4	.3	.7	−.4	−.4	−.8	.1	−.9	−.2	.5	1.7	2
3	Direct excluding savings bonds	1.8	7.9	9.9	−.9	12.6	−9.0	−5.4	−8.4	5.6	4.8	4.4	18.3	10.9	16.8	3
4	Budget agency issues	*	.1	1.5	−.4	1.3	2.6	.8	−1.3	−.8	−.2	2.1	.2	1.0	1.7	4
5	Sponsored agency issues	5.1	−.6	3.2	9.1	8.2	2.7	4.8	8.4	10.6	12.5	14.4	5.4	6.3	6.9	5
6	Loan participations	1.3	4.0	1.7	−1.9	1.3	−1.2	−.3	.7	−4.8	3.3	−2.6	−2.2	−.1	−.2	6
7	**Net acquisitions, by sector**	8.7	12.5	16.7	5.5	21.1	−4.2	−.5	−1.0	10.0	13.8	17.5	21.5	18.6	26.9	7
8	U.S. Government (agency sec.)	1.3	.1	.1	−1.3	−.1	−1.0	−1.1	−2.2	−.8	−1.0	.1	*	.1	−.6	8
9	Sponsored credit agencies	1.0	*	−.1	.2	1.7	.1	−2.0	.3	−.5	1.2	2.0	−.5	1.0	4.4	9
10	Direct marketable	.3	.9	−.1	−.5	1.9	.1	−2.0	.3	−.8	.4	2.8	−.8	1.2	4.3	10
11	FHLB special issue	.6	−.9	.....	.3	−.2	.....	*	*	.3	.8	−.8	.2	−.2	.1	11
12	Federal Reserve System	3.5	4.8	3.8	4.2	5.0	−4.3	4.0	4.2	−.4	9.2	1.1	5.4	7.9	5.6	12
13	Foreign	−2.4	2.1	.5	−1.8	9.1	6.8	−4.5	−1.8	2.7	−3.7	8.0	8.2	4.7	15.5	13
14	Commercial banks	−3.6	9.3	3.4	−9.5	9.0	−4.1	−16.2	−7.2	−9.5	−5.2	.5	6.8	11.0	17.6	14
15	Direct	−3.4	6.3	2.2	9.3	5.8	−5.0	−14.4	−8.8	−7.6	−6.2	−.7	6.8	8.9	8.0	15
16	Agency issues	−.2	3.0	1.3	−.3	3.2	.9	−1.8	1.6	−1.9	1.0	1.3	*	2.1	9.6	16
17	Nonbank finance	.4	−1.9	2.2	−.8	3.7	−4.8	−2.4	4.8	−4.7	−.8	−.7	9.8	2.2	3.7	17
18	Direct	−.2	−2.2	.4	−2.4	1.5	−6.5	−4.4	2.7	−7.3	−.6	−3.2	7.6	−.7	2.5	18
19	Agency issues	.5	.3	1.8	1.6	2.2	1.7	2.0	2.0	2.6	.2	2.6	2.2	2.9	1.2	19
20	Pvt. domestic nonfin.	8.5	−1.7	7.7	15.0	−7.3	3.0	21.8	.9	23.2	14.1	6.5	−8.2	−8.3	−19.3	20
21	Savings bonds—Households	.6	1.0	.4	−.4	.3	.7	−.4	−.4	−.8	.1	−.9	−.2	.5	1.7	21
22	Direct excl. savings bonds	3.3	3.0	4.1	8.7	−10.5	−.1	16.1	−5.1	18.8	5.0	−2.7	−9.2	−10.8	−19.2	22
23	Agency issues	4.7	.4	3.2	6.7	2.9	2.4	6.2	6.4	5.2	9.1	10.1	1.3	2.0	−1.8	23
	Private securities															
1	**Total net issues, by sector**	18.5	28.2	23.9	27.7	42.3	29.3	30.4	28.8	25.1	26.3	31.3	41.0	39.3	57.7	1
2	State and local governments	5.7	8.7	9.6	8.1	11.8	14.2	12.8	9.4	5.6	4.7	8.9	10.2	8.9	19.3	2
3	Nonfinancial corporations	11.4	17.0	12.1	16.4	27.0	12.2	14.7	14.9	16.1	19.8	20.2	28.9	25.7	33.4	3
4	Finance companies	.8	1.0	.8	1.6	2.5	1.0	1.4	2.2	1.4	1.3	1.3	2.3	2.8	3.8	4
5	Commercial banks	.1	.2	.2	.1	.1	−.1	.1	.3	*	−.1	.2	*	*	*	5
6	Rest of the world	.5	1.3	1.3	1.5	.9	2.0	1.5	2.0	2.0	.5	.7	−.4	2.0	1.3	6
7	**Net purchases**	18.5	28.2	23.9	27.7	42.3	29.3	30.4	28.8	25.1	26.3	31.3	41.0	39.3	57.7	7
8	Households	3.2	−1.8	−1.2	2.7	7.7	3.8	3.4	−2.0	4.7	4.8	6.9	9.9	2.6	11.3	8
9	Nonfinancial corporations	1.0	.2	−1.1	5.1	1.4	.9	6.7	3.1	5.5	5.0	.6	2.0	1.6	1.2	9
10	State and local governments	1.1	1.9	−.4	2.6	.2	−1.8	4.9	3.0	.9	1.4	.4	.7	−.8	.6	10
11	Commercial banks	1.9	9.8	8.9	.3	10.8	13.6	1.6	2.4	−1.1	−1.7	5.0	8.9	14.5	14.7	11
12	Mutual savings banks	.3	2.3	1.6	.6	1.7	1.5	1.1	1.0	*	.2	1.2	2.0	1.2	2.5	12
13	Insurance and pension funds	12.9	16.6	17.6	16.8	18.7	19.8	16.3	20.5	15.0	15.4	17.0	20.6	13.9	23.2	13
14	Finance n.e.c.	−2.2	−.9	−3.6	−2.5	.5	−10.3	−7.6	*	−.6	−1.7	−.3	3.6	4.2	1.8	14
15	Security brokers and dealers	.1	.2	−.9	.5	1.1	−9.2	.2	1.1	2.8	−2.2	.5	.6	5.6	−2.4	15
16	Investment companies, net	−2.4	1.1	−2.8	−3.0	−.6	−1.2	−7.8	−1.1	−3.4	.4	−.8	4.2	−1.5	4.2	16
17	Portfolio purchases	1.4	1.5	1.9	2.7	1.8	4.3	−.2	3.6	2.7	4.6	1.3	1.0	2.4	4.5	17
18	Net issues of own shares	3.7	2.6	4.7	5.6	2.4	5.5	7.6	4.7	6.1	4.2	2.1	3.2	3.9	.4	18
19	Rest of the world	.3	.6	2.3	2.1	1.4	3.7	3.9	.9	.7	2.9	.6	.5	2.1	2.3	19
	Bank loans n.e.c.															
1	**Total net borrowing**	9.0	7.5	15.7	17.8	2.1	23.0	18.0	24.0	11.1	17.6	5.2	10.3	5.0	11.8	1
2	Households	.4	2.1	3.1	2.4	.8	4.3	2.9	4.2	.9	1.5	2.3	1.1	1.2	1.0	2
3	Nonfinancial business	10.1	7.7	10.6	13.5	2.3	17.5	13.9	14.4	12.3	12.8	4.6	10.4	.9	−6.7	3
4	Rest of the world	−.2	.2	−.3	−.2	−.4	−.9	.2	.6	1.5	−.1	.6	−.3	−.2	−1.9	4
5	Financial sectors	−1.3	−2.1	2.3	2.1	−.5	2.1	.9	4.9	−.6	3.4	2.3	1.2	3.0	−4.1	5

NOTE.—1970 data revised from the Mar. 1971 BULLETIN.

FINANCIAL ASSETS AND LIABILITIES, DECEMBER 31, 1970

(Amounts outstanding in billions of dollars)

(A) All sectors

	Sector	Private domestic nonfinancial sectors: Households		Business		State and local govts.		Total		U.S. Govt.		Financial sectors: Total		Federally sponsored credit agencies		Monetary authority		Commercial banks		Private nonbank finance		Rest of the world		Total [1]		Discrepancies	
	Transaction category	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	
1	**Total assets**	**1886.9**		**451.3**		**73.4**		**2411.6**		**102.4**		**1449.1**		**46.5**		**85.2**		**499.3**		**818.1**		**118.8**		**4082.0**			1
2	**Total liabilities**		**482.0**		**728.8**		**154.6**		**1365.4**		**346.7**		**1363.4**		**45.5**		**85.2**		**468.0**		**764.6**		**138.6**		**3214.2**		2
3	Gold									1.2		10.7				10.7						32.7		44.6			3
4	Official foreign exchange									.4		.3				.3							.6		.6		4
5	IMF position									2.0		−.1				−.1							1.9		1.9		5
6	Treasury currency										6.0	7.5				7.5								7.5	6.0	−1.6	6
7	Demand dep. and currency												235.1				52.0		183.1					214.5	235.1		7
8	Private domestic	122.2		49.6		12.5		184.2				16.8	222.3	.2			50.1		172.2	16.6				200.9	222.3	21.4	8
9	U.S. Government									10.3			9.5				1.6		7.9					10.3	9.5	−.8	9
10	Foreign												3.3				.3		3.0			3.3			3.3		10
11	Time and savings accounts	404.8						454.3				1.6	464.6							1.6					464.6		11
12	Time deposits	172.6		26.4		23.1		222.1		.4		.1	230.8						230.8	.1		8.3			230.8		12
13	Savings accounts	232.2						232.2				1.5	233.7							1.5	233.7				233.7		13
14	Life insurance reserves	130.0						130.0			7.3		122.6								122.6				130.0		14
15	Pension fund reserves	233.6						233.6			27.5		206.1								206.1				233.6		15
16	Interbank claims [2]											36.5	36.5			4.6	31.2	31.9	5.3						36.5		16
17	Corporate shares [3]	747.0						747.0				146.5	47.6							146.5	47.6	18.1		911.6	47.6		17
18	Other credit mkt. instr.	220.9	461.6	71.3	487.9	33.7	148.2	325.9	1097.7	56.9	301.4	1155.7	113.7	44.9	38.9	62.2		435.2	4.7	613.3	70.1	25.0	50.8	1563.5	1563.5		18
19	U.S. Govt. securities [4]	100.9		9.9		22.1		132.9		*	299.9	186.1	38.9	4.2	38.9	62.1		75.5		44.2		19.7			338.8		19
20	State & local govt. oblig.	38.2		9.1		2.8	143.4	50.1	143.4			93.3						69.3		24.0					143.4		20
21	Corp. & fgn. bonds	39.7			167.9	6.7		46.3	167.9			158.5	25.2					2.5	2.4	156.0	22.9	1.1	12.8		206.0		21
22	Home mortgages	13.4	272.6		2.5	2.2		15.6	275.1	6.0	1.5	258.1	3.1	15.6				41.9		200.6	3.1				279.7		22
23	Other mortgages	28.7	20.5		151.0			28.7	171.4	3.5		139.2		7.5				30.6		101.1					171.4		23
24	Consumer credit		126.8	30.4				30.4	126.8			96.5						50.1		46.4					126.8		24
25	Bank loans n.e.c.		20.8		116.9				137.7			156.9	13.1					156.9			13.1		6.1		156.9		25
26	Other loans		20.9	21.9	49.6		4.8	21.9	75.3	47.4		67.1	33.4	17.6		.1		8.4	2.3	41.1	31.0	4.1	31.9		140.6		26
27	Security credit	2.2	10.1					2.2	10.1			19.7	11.8					12.0		7.6	11.8	.3	.3		22.2		27
28	To brokers and dealers	2.2						2.2				9.3	11.8					8.5		.9	11.8	.3			11.8		28
29	To others		10.1						10.1			10.3						3.5		6.8			.3		10.3		29
30	Taxes payable				21.8	4.1		4.1	21.8	20.3			2.6				.1		1.0		1.5				24.4		30
31	Trade credit [5]		5.3	202.4	143.8		6.4	202.4	155.5	6.6	4.2	4.3								4.3		5.6	6.9	218.9	166.6	−52.3	31
32	Miscellaneous	26.2	5.1	101.7	75.4			127.9	80.4	4.5	.3	49.7	122.8	1.3	1.6		1.9	20.2	43.1	28.2	71.1	25.5	78.1	207.5	281.6	74.1	32

[1] Where no amount appears in total-asset column, total assets are identically equal to amount shown for total liabilities.

[2] Claims between commercial banks and monetary authorities: member bank reserves, vault cash, F.R. loans to banks, F.R. float, and stock at F.R. Banks.

[3] Assets shown at market value; nonbank finance liability is redemption value of shares of open-end investment companies. No specific liability is attributed to issuers of stocks other than open-end investment companies for amounts outstanding.

[4] Includes savings bonds, other nonmarketable debt held by the public, issues by agencies in the budget (CCC, Export-Import Bank, GNMA, TVA, FHA) and by sponsored credit agencies in Financial sectors, and loan participation certificates. Postal savings system deposits are included in line 35.

[5] Business asset is corporate only. Noncorporate trade credit is deducted in liability total to conform to quarterly flow tables.

NOTE.—Data revised from the Mar. 1971 BULLETIN.

FINANCIAL ASSETS AND LIABILITIES, December 31, 1970—Continued

(Amounts outstanding in billions of dollars)

(B) Private nonbank financial institution

	Sector	Total		Savings and loan assns.		Mutual savings banks		Credit unions		Life insurance cos.		Private pension funds		State and local govt. retirement funds		Other insurance cos.		Finance cos.		Agencies of foreign banks		Banks in U.S. possessions		Open-end investment cos.		Security brokers and dealers		
	Transaction category	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	
1	*Total assets*	**818.1**		**176.6**		**79.0**		**15.4**		**199.0**		**107.2**		**57.9**		**51.8**		**60.3**		**6.1**		**2.8**		**47.6**		**14.4**		1
2	**Total liabilities**		**764.6**		**161.6**		**73.3**		**15.4**		**186.9**		**107.2**		**57.9**		**34.7**		**56.2**		**6.1**		**2.8**		**47.6**		**12.0**	2
3	Demand deposits and currency	16.6		1.5		1.2		.7		1.6		1.8		.6		1.4		3.6		1.2		.3		.7		1.9		3
4	Time and savings accounts	1.6	233.7			.1		1.5																				4
5	At commercial banks	.1				.1																						5
6	At savings institutions	1.5	233.7		146.7		71.6	1.5	15.4																			6
7	Life insurance reserves		122.6								122.6																	7
8	Pension fund reserves		206.1								41.0		107.2		57.9													8
9	Corporate shares[3]	146.5	47.6			2.5				14.5		64.3		8.0		16.9								39.7	47.6	.7		9
10	Other credit mkt. instr.	613.3	70.1	164.4	14.2	73.6		13.3		173.9		37.1		47.4		29.3		56.7	55.9	4.0		1.5		7.2		5.0		10
11	U.S. Govt. securities	44.2		12.3		4.9				4.0		3.7		6.8		4.3				3.9		.3		.9		3.4		11
12	State & local govt. oblig.	24.0				.2				3.3				2.0		17.4						.2				.9		12
13	Corp. and fgn. bonds	156.0	22.9			8.3				74.2		29.2		31.8		7.4			22.9			.1		4.3		.7		13
14	Home mortgages	200.6	3.1	125.3	3.1	37.3		.8		26.6		4.2						5.9				.5						14
15	Other mortgages	101.1		25.3		20.6				47.8				6.9		.2						.3						15
16	Consumer credit	46.4		1.5		1.2		12.5										31.1										16
17	Bank loans n.e.c.		13.1		.5														12.7									17
18	Other loans	41.1	31.0		10.6	1.0				18.1								19.7	20.4	.2				2.1				18
19	Security credit	7.6	11.8																	.9						6.8	11.8	19
20	To brokers and dealers	.9	11.8																	.9							11.8	20
21	Other	6.8																								6.8		21
22	Taxes payable		1.5		.1						.8						.2		.3								.2	22
23	Trade credit	4.3														4.3												23
24	Miscellaneous	28.2	71.1	10.7	3.6	1.7	1.7			8.9	22.4	4.0		1.8			34.5				6.1	1.0	2.8					24

For notes see facing page.

1. U.S. BALANCE OF PAYMENTS

(In millions of dollars)

Item	1968	1969	1970p	1969 IV	1970 I	1970 II	1970 III	1970 IVp
Transactions other than changes in foreign liquid assets in U.S. and in U.S. monetary reserve assets—Seasonally adjusted								
Exports of goods and services—Total [1]	**50,622**	**55,514**	**62,962**	**14,767**	**15,364**	**15,798**	**15,969**	**15,831**
Merchandise	33,588	36,473	42,041	9,890	10,252	10,586	10,700	10,503
Military sales	1,395	1,515	1,479	352	256	430	339	454
Transportation	2,969	3,131	3,665	803	877	926	950	912
Travel	1,775	2,058	2,318	518	560	576	589	593
Investment income receipts, private	6,922	7,906	8,706	2,083	2,259	2,066	2,170	2,211
Investment income receipts, Govt.	765	932	911	231	240	241	224	206
Other services	3,208	3,498	3,844	890	920	973	997	952
Imports of goods and services—Total	**−48,129**	**−53,564**	**−59,291**	**−14,075**	**−14,518**	**−14,759**	**−14,969**	**−15,047**
Merchandise	−32,964	−35,835	−39,856	−9,404	−9,729	−9,829	−9,987	−10,311
Military expenditures	−4,535	−4,850	−4,837	−1,245	−1,178	−1,255	−1,210	−1,195
Transportation	−3,269	−3,608	−4,032	−967	−978	−979	−1,073	−1,001
Travel	−3,022	3,390	−3,916	−840	−925	−988	−1,026	−977
Investment income payments	−2,933	−4,463	−5,109	−1,247	−1,343	−1,320	−1,287	−1,160
Other services	−1,406	−1,419	−1,540	−372	−365	−388	−386	−403
Balance on goods and services [1]	**2,493**	**1,949**	**3,672**	**692**	**846**	**1,039**	**1,000**	**784**
Remittances and pensions	**−1,121**	**−1,190**	**−1,387**	**−309**	**−328**	**−360**	**−364**	**−336**
1. Balance on goods, services, remittances and pensions	**1,372**	**759**	**2,285**	**383**	**518**	**679**	**636**	**448**
2. U.S. Govt. grants and capital flow, net	**−3,975**	**−3,828**	**−3,235**	**−870**	**−855**	**−725**	**−804**	**−852**
Grants,[2] loans, and net change in foreign currency holdings, and short-term claims	−5,359	−5,032	−4,954	−1,183	−1,278	−1,237	−1,192	−1,248
Scheduled repayments on U.S. Govt. loans	1,114	1,291	1,475	324	335	398	386	356
Nonscheduled repayments and selloffs	269	−87	244	[3] −11	88	114	2	40
3. U.S. private capital flow, net	**−5,412**	**−5,233**	**−6,351**	**−889**	**−1,711**	**−1,944**	**−1,176**	**−1,518**
Direct investments	−3,209	−3,070	−3,967	−276	−1,411	−1,434	−711	−410
Foreign securities	−1,254	−1,494	−878	−69	−133	66	−549	−261
Other long-term claims reported by—								
Banks	358	330	201	35	24	61	23	93
Others	−220	−424	−589	−249	−381	−13	−132	−63
Short-term claims reported by—								
Banks	−105	−871	−1,084	−371	108	−538	118	−772
Others	−982	296	−34	41	82	−86	75	−105
4. Foreign capital flow, net, excluding change in liquid assets in the United States	**8,701**	**4,131**	**3,861**	**1,635**	**585**	**1,317**	**1,064**	**897**
Long-term investments	6,029	3,959	3,060	1,276	788	612	867	794
Short-term claims	759	76	704	−19	93	165	211	235
Nonliquid claims on U.S. Govt. associated with—								
Military contracts	−105	156	−583	229	−20	−254	−66	−244
U.S. Govt. grants and capital	2	−16	−30	*	−9	−17	−3	*
Other specific transactions	6	−2	−12	−1	−25	11	−20	22
Other nonconvertible, nonmarketable, medium-term U.S. Govt. securities[4]	2,010	−41	723	150	−242	800	75	90
5. Allocation of Special Drawing Rights	....	....	**867**	....	**217**	**217**	**217**	**216**
6. Errors and unrecorded transactions	**−514**	**−2,841**	**−1,274**	**162**	**−205**	**−779**	**−535**	**245**
Balances								
A. Balance on liquidity basis [5]								
Seasonally adjusted (Equals sum of items 1–4+6.)	**171**	**−7,012**	**−4,715**	**420**	**−1,666**	**−1,452**	**−817**	**−780**
Less: Net seasonal adjustments	....	....	....	−624	−113	−20	822	−689
Before seasonal adjustment	**171**	**−7,012**	**−4,715**	**1,044**	**−1,553**	**−1,432**	**−1,639**	**−91**
B. Balance on basis of official reserve transactions [5]								
Balance A, seasonally adjusted	**171**	**−7,012**	**−4,715**	**420**	**−1,666**	**−1,452**	**−817**	**−780**
Plus: Seasonally adjusted change in liquid assets in the United States of—								
Commercial banks abroad	3,387	9,217	−6,511	149	−1,862	−111	−1,396	−3,142
Other private residents of foreign countries	375	−441	92	−131	−152	192	−148	200
International and regional organizations other than IMF	48	−60	177	−66	142	−125	83	77
Less: Change in certain nonliquid liabilities to foreign central banks and govts.	2,340	−996	−271	−142	−420	501	−246	−106
Balance B, seasonally adjusted	**1,641**	**2,700**	**−10,686**	**514**	**−3,118**	**−1,997**	**−2,032**	**−3,539**
Less: Net seasonal adjustments	....	....	....	−311	−285	72	580	−367
Before seasonal adjustment	**1,641**	**2,700**	**−10,686**	**825**	**−2,833**	**−2,069**	**−2,612**	**−3,172**
MEMO—Balances including SDR allocation								
Balance A, Seasonally adjusted[6]	....	....	....	....	−1,449	−1,235	−600	−564
Balance A, Before seasonal adjustment	....	....	−3,848	....	−686	−1,432	−1,639	−91
Balance B, Seasonally adjusted	....	....	....	....	−2,901	−1,780	−1,815	−3,323
Balance B, Before seasonal adjustment	....	....	−9,819	....	−1,966	−2,069	−2,612	−3,172

For notes see end of table.

1. U.S. BALANCE OF PAYMENTS—Continued

(In millions of dollars)

Item	1968	1969	1970 p	1969	1970			
				IV	I	II	III	IV p
Transactions by which balances were settled—Not seasonally adjusted								
A. To settle balance on liquidity basis	**−171**	**7,012**	**[5]4,715**	**−1,044**	**[5]1,553**	**1,432**	**1,639**	**91**
Change in U.S. official reserve assets (increase, —)	*−880*	*−1,187*	*3,344*	*−154*	*481*	*1,022*	*801*	*1,040*
Gold	1,173	−967	787	−695	−44	14	395	422
SDR's	....	....	16	....	−53	−37	−34	140
IMF gold tranche position	−870	−1,034	389	−542	−253	227	406	9
Convertible currencies	−1,183	814	2,152	1,083	831	818	34	469
Change in liquid liabilities to all foreign accounts	*709*	*8,199*	*1,371*	*−890*	*1,072*	*410*	*838*	*−949*
Foreign central banks and govts.:								
Convertible nonmarketable U.S. Govt. securities[7]	−10	−163	−126	−212	−126	....	*	....
Marketable U.S. Govt. bonds and notes[7]	−379	−79	−39	−67	−3	17	20	−73
Deposits, short-term U.S. Govt. securities, etc.	−2,709	−264	8,231	−227	2,902	522	2,452	2,355
IMF (gold deposits)	−3	−11	−453	....	−9	....	−423	−21
Commercial banks abroad	3,387	9,217	−6,511	−187	−1,682	−196	−1,146	−3,487
Other private residents of foreign countries	375	−441	92	−131	−152	192	−148	200
International and regional organizations other than IMF	48	−60	177	−66	142	−125	83	77
B. Official reserve transactions	**−1,641**	**−2,700**	**[5]10,686**	**−825**	**[5]2,833**	**2,069**	**2,612**	**3,172**
Change in U.S. official reserve assets (increase, —)	−880	−1,187	3,344	−154	481	1,022	801	1,040
Change in liquid liabilities to foreign central banks and govts., and IMF (see detail above under A.)	−3,101	−517	7,613	−506	2,764	539	2,049	2,261
Change in certain nonliquid liabilities to foreign central banks and govts. of—								
U.S. private organizations	534	−834	−806	−206	−154	−235	−233	−184
U.S. Govt.	1,806	−162	535	41	−258	743	−5	55

[1] Excludes transfers under military grants.
[2] Excludes military grants.
[3] Negative entry reflects repurchase of foreign obligations previously sold.
[4] Includes certificates sold abroad by Export-Import Bank.
[5] Excludes initial allocation by the IMF of $867 million of SDR's on Jan. 1, 1970.
[6] Equals sum of items 1–6.
[7] With original maturities over 1 year.

NOTE.—Dept. of Commerce data. Minus sign indicates net payments (debits); absence of sign indicates net receipts (credits). Details may not add to totals because of rounding.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

Period	Exports [1]				Imports [2]				Export surplus			
	1968	1969 r	1970	1971	1968	1969 r	1970	1971	1968	1969 r	1970	1971
Month:												
Jan.	2,814	[3]2,161	3,406	3,735	2,687	[3]2,002	3,223	3,686	127	159	183	49
Feb.	2,775	[3]2,266	3,547	3,690	2,592	[3]2,672	3,278	3,553	184	−406	269	136
Mar.	[3]2,439	[3]3,188	3,376	3,815	[3]2,589	[3]2,982	3,218	3,569	−150	206	158	245
Apr.	[3]2,855	[3]3,318	3,409	3,543	[3]2,604	[3]3,183	3,263	3,758	251	135	146	−215
May	2,740	[3]3,268	3,661	....	2,755	[3]3,257	3,338	....	−15	11	323	....
June	2,870	[3]3,179	3,730	....	2,792	[3]3,152	3,266	....	78	27	465	....
July	2,858	3,182	3,699	....	2,725	3,074	3,255	....	133	108	444	....
Aug.	[3]2,950	3,366	3,592	....	2,872	3,163	3,346	....	78	203	246	....
Sept.	[3]3,211	3,341	3,553	....	2,951	3,078	3,428	....	261	263	125	....
Oct.	[3]2,631	3,342	3,689	....	2,736	3,192	3,501	....	−105	150	188	....
Nov.	2,972	3,398	3,499	....	2,883	3,180	3,428	....	89	218	71	....
Dec.	2,977	3,280	3,570	....	2,908	3,078	3,404	....	70	202	166	....
Quarter:												
I	8,028	7,615	10,328	11,240	7,867	7,655	9,719	10,808	161	−40	609	432
II	8,465	9,765	10,800	....	8,151	9,591	9,867	....	314	174	933	....
III	9,019	9,889	10,845	....	8,548	9,315	10,029	....	471	574	816	....
IV	8,580	10,020	10,758	....	8,527	9,450	10,333	....	53	570	425	....
Year[4]	34,063	37,332	42,662 r	....	33,226	36,043	39,963 r	....	837	1,289	2,699	....

[1] Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.
[2] General imports including imports for immediate consumption plus entries into bonded warehouses.
[3] Significantly affected by strikes.
[4] Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales (−) or net acquisitions; in millions of dollars at $35 per fine troy ounce)

Area and country	1962	1963	1964	1965	1966	1967	1968	1969	1970	1970				1971
										I	II	III	IV	I
Western Europe:														
Austria	−143	−82	−55	−100	−25	......	......	4	......	......	......	......	......	......
Belgium	−63	......	−40	−83	......	......	−58	......	......	......	......	......	......	......
France	−456	−518	−405	−884	−601	......	600	325	−129	......	......	......	−129	......
Germany, Fed. Rep. of	......	......	−225	......	......	......	......	500	......	......	......	......	......	......
Ireland	......	......	−1	−2	−2	−2	−52	41	2	2	......	......	......	......
Italy	......	......	200	−80	−60	−85	−209	−76	......	......	......	......	......	......
Netherlands	......	......	−60	−35	......	......	−19	......	−50	......	......	−20	−30	−25
Spain	−146	−130	−32	−180	......	......	......	......	51	......	......	51	......	......
Switzerland	102	......	−81	−50	−2	−30	−50	−25	−50	......	......	−50	......	−75
United Kingdom	−387	329	618	150	80	−879	−835	......	......	......	......	......	......	......
Bank for Intl. Settlements	......	......	......	......	......	......	......	200	......	......	......	......	......	......
Other	−12	1	−6	−35	−49	16	−47	11	−29	2	−1	−8	−21	15
Total	−1,105	−399	−88	−1,299	−659	−980	−669	969	−204	4	−1	−27	−180	−85
Canada	190	......	......	......	200	150	50	......	......	......	......	......	......	......
Latin American republics:														
Argentina	85	−30	......	......	−39	−1	−25	−25	−28	−5	......	......	−23	......
Brazil	57	72	54	25	−3	−1	*	......	−23	......	......	......	−23	......
Colombia	38	......	10	29	7	......	......	*	−1	−1	......	......	......	......
Venezuela	......	......	......	−25	......	......	......	......	......	......	......	......	......	......
Other	−5	−11	−9	−13	−6	11	−40	−29	−80	−1	−9	−4	−66	*
Total	175	32	56	17	−41	9	−65	−54	−131	−7	−9	−4	−111	*
Asia:														
Iraq	......	......	......	−10	−4	−21	−42	......	......	......	......	......	......	......
Japan	......	......	......	......	−56	......	......	......	−119	......	......	......	−119	......
Lebanon	−32	......	−11	......	−11	−1	−95	......	......	......	......	......	......	−35
Malaysia	−1	......	......	......	......	......	−34	......	......	......	......	......	......	......
Philippines	*	25	20	*	−1	......	9	40	−4	1	*	3	−8	−1
Saudi Arabia	−13	......	......	......	......	......	−50	......	......	......	......	......	......	......
Singapore	......	......	......	......	......	......	−81	11	......	......	......	......	......	......
Other	−47	−13	−6	−14	−14	−22	−75	−9	−91	[2] 23	−1	−41	−71	21
Total	−93	12	3	−24	−86	−44	−366	42	−213	24	−1	−39	−197	−15
All other	−1	−36	−7	−16	−22	[3] −166	[3] −68	−1	−81	−1	−2	−4	−75	−1
Total foreign countries	−833	−392	−36	−1,322	−608	−1,031	−1,118	957	[4] −631	20	−14	−73	[4] −563	−102
Intl. Monetary Fund[5]	......	......	......	[6] −225	177	22	−3	10	−156	24	......	−322	[4] 142	−7
Grand total	−833	−392	−36	−1,547	−431	−1,009	−1,121	967	−787	44	−14	−395	−422	−109

1 Includes purchase from Denmark of $25 million.

2 Includes purchase from Kuwait of $25 million.

3 Includes sales to Algeria of $150 million in 1967 and $50 million in 1968.

4 Data for IMF include the U.S. payment of $385 million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF total $548 million each.

5 Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 4), and withdrawal of deposits. The first withdrawal, amounting to $17 million, was made in June 1968.

IMF sold to the United States a total of $800 million of gold ($200 million in 1956, and $300 million in 1959 and in 1960) with the right of repurchase; proceeds from these sales invested by IMF in U.S. Govt. securities. In Sept. 1970 IMF repurchased $400 million.

6 Payment to the IMF of $259 million increase in U.S. gold subscription less gold deposits by the IMF.

Notes to Table 5 on opposite page:

1 Represents net IMF sales of gold to acquire U.S. dollars for use in IMF operations. Does not include transactions in gold relating to gold deposit or gold investment (see Table 6).

2 Positive figures represent purchases from the IMF of currencies of other members for equivalent amounts of dollars; negative figures represent repurchase of dollars, including dollars derived from charges on purchases and from other net dollar income of the IMF. The United States has a commitment to repurchase within 3 to 5 years, but only to the extent that the holdings of dollars of the IMF exceed 75 per cent of the U.S. quota. Purchases of dollars by other countries reduce the U.S. commitment to repurchase by an equivalent amount.

3 Includes dollars obtained by countries other than the United States from sales of gold to the IMF.

4 Represents the U.S. gold tranche position in the IMF (the U.S. quota minus the holdings of dollars of the IMF), which is the amount that the United States could purchase in foreign currencies automatically if needed. Under appropriate conditions, the United States could purchase additional amounts equal to its quota.

5 Includes $259 million gold subscription to the IMF in June 1965 for a U.S. quota increase, which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

6 Includes $30 million of special drawing rights.

NOTE.—The initial U.S. quota in the IMF was $2,750 million. The U.S. quota was increased to $4,125 million in 1959, to $5,160 million in Feb. 1966, and to $6,700 million in Dec. 1970. Under the Articles of Agreement, subscription payments equal to the quota have been made 25 per cent in gold and 75 per cent in dollars.

4. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock[1]		Convertible foreign currencies	Reserve position in IMF[3]	SDR's[4]
		Total[2]	Treasury			
1958...	22,540	20,582	20,534	....	1,958	....
1959...	21,504	19,507	19,456	....	1,997	....
1960...	19,359	17,804	17,767	....	1,555	....
1961...	18,753	16,947	16,889	116	1,690	....
1962...	17,220	16,057	15,978	99	1,064	....
1963...	16,843	15,596	15,513	212	1,035	....
1964...	16,672	15,471	15,388	432	769	....
1965...	15,450	[6]13,806	[6]13,733	781	[6] 863	....
1966...	14,882	13,235	13,159	1,321	326	....
1967...	14,830	12,065	11,982	2,345	420	....
1968...	15,710	10,892	10,367	3,528	1,290	....
1969...	[7]16,964	11,859	10,367	[7]2,781	2,324	....
1970...	14,487	11,072	10,732	629	1,935	851

End of month	Total	Gold stock[1]		Convertible foreign currencies[5]	Reserve position in IMF[3]	SDR's[4]
		Total[2]	Treasury			
1970						
May...	16,165	11,900	11,367	980	2,360	925
June...	16,328	11,889	11,367	1,132	2,350	957
July...	16,065	11,934	11,367	716	2,454	961
Aug....	15,796	11,817	11,367	695	2,323	961
Sept....	15,527	11,494	11,117	1,098	1,944	991
Oct....	15,120	11,495	11,117	811	1,823	991
Nov....	14,891	11,478	11,117	640	1,812	961
Dec....	14,487	11,072	10,732	629	1,935	851
1971						
Jan....	14,699	11,040	10,732	491	1,700	1,468
Feb....	14,534	11,039	10,732	327	1,700	1,468
Mar....	14,342	10,963	10,732	256	1,680	1,443
Apr....	14,307	10,925	10,732	257	1,682	1,443
May...	13,802	10,568	10,332	318	1,678	1,238

1 Includes (a) gold sold to the United States by the International Monetary Fund with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 6.

2 Includes gold in Exchange Stabilization Fund.

3 The United States has the right to purchase foreign currencies equivalent to its reserve position in the IMF automatically if needed. Under appropriate conditions the United States could purchase additional amounts equal to the U.S. quota. See Table 5.

4 Includes initial allocation by the IMF of $867 million of Special Drawing Rights on Jan. 1, 1970, and second allocation of $717 million of SDR's on Jan. 1, 1971, plus net transactions in SDR's.

5 For holdings of F.R. Banks only, see pp. A-12 and A-13.

6 Reserve position includes, and gold stock excludes, $259 million gold subscription to the IMF in June 1965 for a U.S. quota increase which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

7 Includes gain of $67 million resulting from revaluation of the German mark in Oct. 1969, of which $13 million represents gain on mark holdings at time of revaluation.

NOTE.—See Table 23 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

5. U.S. POSITION IN THE INTERNATIONAL MONETARY FUND

(In millions of dollars)

Period	Transactions affecting IMF holdings of dollars (during period)							IMF holdings of dollars (end of period)		U.S. reserve position in IMF (end of period)[4]
	U.S. transactions with IMF				Transactions by other countries with IMF		Total change			
	Payments of subscriptions in dollars	Net gold sales by IMF[1]	Transactions in foreign currencies[2]	IMF net income in dollars	Purchases of dollars[3]	Repurchases in dollars		Amount	Per cent of U.S. quota	
1946—1957	2,063	600	....	-45	−2,670	827	775	775	28	1,975
1958—1963	1,031	150	....	60	−1,666	2,740	2,315	3,090	75	1,035
1964—1966	776	....	1,640	45	−723	6	1,744	4,834	94	[5]326
1967	....	....	....	20	−114	....	−94	4,740	92	420
1968	....	....	−84	20	−806	....	−870	3,870	75	1,290
1969	....	22	....	19	−1,343	268	−1,034	2,836	55	2,324
1970	1,155	[6]712	150	25	−854	741	1,929	4,765	71	1,935
1970—May	....	....	150	....	....	....	150	2,800	54	2,360
June	....	....	....	5	−2	7	10	2,810	54	2,350
July	....	....	....	2	−139	33	−104	2,706	52	2,454
Aug.	....	....	....	1	−20	150	131	2,837	55	2,323
Sept.	....	[6]132	....	10	−16	253	379	3,216	62	1,944
Oct.	....	129	....	−3	−34	29	121	3,337	65	1,823
Nov.	....	104	....	1	−95	1	11	3,348	65	1,812
Dec.	1,155	315	....	−1	−73	21	1,417	4,765	71	1,935
1971—Jan.	....	....	250	-3	−23	11	235	5,000	75	1,700
Feb.	....	*	....	*	....	*	....	5,000	75	1,700
Mar.	....	....	....	*	....	20	20	5,020	75	1,680
Apr.	....	....	....	−3	....	1	−2	5,018	75	1,682
May	....	....	....	−2	−1	7	4	5,022	75	1,678

For notes see opposite page.

6. U.S. LIQUID LIABILITIES TO FOREIGNERS

(In millions of dollars)

End of period	Total	Liabilities to Intl. Monetary Fund arising from gold transactions: Total	Gold deposit [1]	Gold investment [2]	Liabilities to foreign countries: Official institutions [3]: Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Govt. bonds and notes [4]	Nonmarketable convertible U.S. Treasury bonds and notes	Banks and other foreigners: Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Govt. bonds and notes [4]	Liabilities to nonmonetary intl. and regional organizations [5]: Total	Short-term liabilities reported by banks in U.S. [6]	Marketable U.S. Govt. bonds and notes [4]
1957	[7] 15,825	200	....	200	....	7,917	....	....	....	5,724	....	....	542	....
1958	[7] 16,845	200	....	200	....	8,665	....	....	....	5,950	....	....	552	....
1959	19,428	500	....	500	10,120	9,154	966	....	7,618	7,077	541	1,190	530	660
1960 [8]	20,994	800	....	800	11,078	10,212	866	....	7,591	7,048	543	1,525	750	775
	21,027	800	....	800	11,088	10,212	876	....	7,598	7,048	550	1,541	750	791
1961 [8]	22,853	800	....	800	11,830	10,940	890	....	8,275	7,759	516	1,948	703	1,245
	22,936	800	....	800	11,830	10,940	890	....	8,357	7,841	516	1,949	704	1,245
1962 [8]	24,068	800	....	800	12,748	11,997	751	....	8,359	7,911	448	2,161	1,250	911
	24,068	800	....	800	12,714	11,963	751	....	8,359	7,911	448	2,195	1,284	911
1963 [8]	26,361	800	....	800	14,387	12,467	1,217	703	9,214	8,863	351	1,960	808	1,152
	26,322	800	....	800	14,353	12,467	1,183	703	9,204	8,863	341	1,965	808	1,157
1964 [8]	28,951	800	....	800	15,428	13,224	1,125	1,079	11,001	10,625	376	1,722	818	904
	29,002	800	....	800	15,424	13,220	1,125	1,079	11,056	10,680	376	1,722	818	904
1965	29,115	834	34	800	15,372	13,066	1,105	1,201	11,478	11,006	472	1,431	679	752
1966 [8]	29,904	1,011	211	800	13,600	12,484	860	256	14,387	13,859	528	906	581	325
	29,779	1,011	211	800	13,655	12,539	860	256	14,208	13,680	528	905	580	325
1967 [8]	33,271	1,033	233	800	15,653	14,034	908	711	15,894	15,336	558	691	487	204
	33,119	1,033	233	800	15,646	14,027	908	711	15,763	15,205	558	677	473	204
1968 [9]	33,828	1,030	230	800	12,548	11,318	529	701	19,525	18,916	609	725	683	42
	33,614	1,030	230	800	12,481	11,318	462	701	19,381	18,916	465	722	683	39
1969—Dec. [8,10]	41,776	1,019	219	800	11,992	11,054	383	555	28,106	27,577	529	659	609	50
	41,900	1,019	219	800	11,994	11,056	383	555	28,224	27,695	529	663	613	50
1970—Mar.	42,972	1,010	210	800	14,767	13,958	380	429	26,390	25,914	476	805	755	50
Apr. r	43,359	1,010	210	800	14,414	13,605	380	429	27,170	26,685	485	765	714	51
May r	43,223	1,010	210	800	14,797	13,986	382	429	26,713	26,212	501	703	652	51
June r	43,380	1,010	210	800	15,306	14,480	397	429	26,383	25,847	536	681	629	52
July r	43,509	1,010	210	800	16,602	15,756	417	429	25,139	24,597	542	758	705	53
Aug. r	44,008	1,010	210	800	16,622	15,776	417	429	25,533	24,971	562	843	798	45
Sept. r	44,216	587	187	400	17,778	16,932	417	429	25,088	24,521	567	763	717	46
Oct. r	44,261	587	187	400	18,131	17,376	326	429	24,730	24,165	565	813	768	45
Nov. r	44,488	579	179	400	19,965	19,210	326	429	23,159	22,573	586	785	738	47
Dec. r	43,277	566	166	400	20,066	19,293	344	429	21,803	21,164	639	842	817	25
1971—Jan. r	43,785	559	159	400	20,500	19,727	344	429	21,675	20,989	686	1,051	1,027	24
Feb.	44,110	559	159	400	22,287	21,509	349	429	20,288	19,604	684	976	935	41
Mar. p	45,529	559	159	400	24,832	24,054	349	429	19,028	18,355	673	1,110	970	140

[1] Represents liability on gold deposited by the International Monetary Fund to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases.

[2] U.S. Govt. obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold can be reacquired by the IMF.

[3] Includes Bank for International Settlements and European Fund.

[4] Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1960–63. Includes securities issued by corporations and other agencies of the U.S. Govt. that are guaranteed by the United States.

[5] Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.

[6] Includes difference between cost value and face value of securities in IMF gold investment account. Liabilities data reported to the Treasury include the face value of these securities, but in this table the cost value of the securities is included under "Gold investment." The difference, which amounted to $19 million at the end of 1970, is included in this column.

[7] Includes total foreign holdings of U.S. Govt. bonds and notes, for which breakdown by type of holder is not available.

[8] Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

[9] Data included on the first line for holdings of marketable U.S. Govt. securities are based on a July 31, 1963, benchmark survey of holdings and regular monthly reports of securities transactions (see Table 16). Data included on the second line are based on a benchmark survey as of Nov. 30, 1968, and the monthly transactions reports. For statistical convenience, the new series is introduced as of Dec. 31, 1968, rather than as of the survey date.

The difference between the two series is believed to arise from errors in reporting during the period between the two benchmark surveys, from shifts in ownership not involving purchases or sales through U.S. banks and brokers, and from physical transfers of securities to and from abroad. It is not possible to reconcile the two series or to revise figures for earlier dates.

[10] Includes $17 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond to statistics following in this section, except for minor rounding differences. Table excludes IMF "holdings of dollars," and holdings of U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special United States notes held by other international and regional organizations.

The liabilities figures are used by the Dept. of Commerce in the statistics measuring the U.S. balance of international payments on the liquidity basis; however, the balance of payments statistics include certain adjustments to Treasury data prior to 1963 and some rounding differences, and they may differ because revisions of Treasury data have been incorporated at varying times. The table does not include certain nonliquid liabilities to foreign official institutions that enter into the calculation of the official reserve transactions balance by the Dept. of Commerce.

7. U.S. LIQUID LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe [1]	Canada	Latin American republics	Asia	Africa	Other countries [2]
1967	15,646	9,872	996	1,131	3,145	249	253
1968 [3]	12,548	7,009	533	1,354	3,168	259	225
	12,481	7,001	532	1,354	3,122	248	224
1969—Dec.	[4] 11,994	5,860	495	1,681	3,190	546	222
1970—Mar.	14,767	7,394	590	2,094	3,780	705	204
Apr.	14,414	6,942	733	2,101	3,668	725	245
May	14,797	7,311	762	2,066	3,632	744	282
June	15,306	8,064	500	2,109	3,571	710	352
July	16,602	9,569	527	2,102	3,331	691	382
Aug.	16,622	9,674	690	1,987	3,189	692	390
Sept.	17,778	11,171	620	1,738	3,254	661	334
Oct.	18,131	11,589	575	1,767	3,336	526	338
Nov. r	19,965	13,254	637	1,646	3,639	449	340
Dec.	20,066	13,046	662	1,536	4,060	407	355
1971—Jan.	20,500	13,702	678	1,370	4,046	381	323
Feb.	22,287	15,382	727	1,341	4,169	325	343
Mar. p	24,832	17,149	801	1,218	5,004	242	418

1 Includes Bank for International Settlements and European Fund.
2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.
3 See note 9 to Table 6.
4 Includes $17 million increase in dollar value of foreign currency abilities resulting from revaluation of the German mark in Oct. 1969.

NOTE.—Data represent short-term liabilities to the official institutions of foreign countries, as reported by banks in the United States, and foreign official holdings of marketable and convertible nonmarketable U.S. Govt. securities with an original maturity of more than 1 year.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners							IMF gold investment [4]	To nonmonetary international and regional organizations [5]				
	Total [1]	Payable in dollars					Payable in foreign currencies		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. [3]
		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. [3]				Demand	Time [2]		
			Demand	Time [2]									
1968	31,717	31,081	14,387	5,484	6,797	4,413	636	800	683	68	113	394	108
1969 [6] r	40,040	39,611	20,430	6,834	5,015	7,332	429	800	609	57	83	244	224
	40,164	39,735	20,436	6,967	5,015	7,317	429	800	613	62	83	244	223
1970—Apr. r	41,804	41,442	18,724	7,031	7,164	8,523	362	800	714	92	128	237	258
May r	41,650	41,299	18,139	7,287	7,564	8,309	351	800	652	70	132	226	224
June r	41,756	41,418	18,091	7,278	8,159	7,890	338	800	629	83	119	194	232
July r	41,858	41,514	17,220	7,187	9,103	8,004	344	800	705	73	131	218	284
Aug. r	42,345	42,008	17,432	7,249	9,845	7,482	337	800	798	66	137	252	343
Sept. r	42,570	42,213	17,234	7,248	10,856	6,875	357	400	717	73	135	179	330
Oct. r	42,709	42,359	17,041	7,082	11,665	6,571	350	400	768	68	144	188	368
Nov. r	42,921	42,578	15,833	6,725	13,651	6,369	343	400	738	68	137	148	385
Dec. r	41,674	41,306	15,793	5,897	14,110	5,506	368	400	817	69	156	211	381
1971—Jan. r	42,143	41,765	14,751	5,694	14,440	6,880	378	400	1,027	115	151	273	488
Feb.	42,448	42,038	13,455	5,486	16,361	6,736	410	400	935	64	145	279	447
Mar. p	43,779	43,127	11,803	5,165	18,664	7,495	652	400	970	73	164	242	491
Apr. p	45,951	45,314	10,407	4,959	22,298	7,650	637	400	1,100	63	194	206	637

For notes see the following page.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued

(Amounts outstanding; in millions of dollars)

End of period	To residents of foreign countries						To official institutions[7]					
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars				Payable in foreign currencies
		Deposits		U.S. Treasury bills and certificates	Other short-term liab.[3]			Deposits		U.S. Treasury bills and certificates	Other short-term liab.[3]	
		Demand	Time[2]					Demand	Time[2]			
1968	30,234	14,320	5,371	5,602	4,304	636	11,318	2,149	1,899	5,486	1,321	463
1969 [6] r	38,631	20,372	6,751	3,971	7,109	429	11,054	1,918	2,951	3,844	2,139	202
	38,751	20,373	6,884	3,971	7,094	429	11,056	1,919	2,951	3,844	2,140	202
1970—Apr. r	40,290	18,632	6,902	6,127	8,266	362	13,605	1,300	3,372	6,035	2,750	148
May r	40,198	18,069	7,155	6,538	8,085	351	13,986	1,340	3,426	6,417	2,655	148
June r	40,327	18,008	7,158	7,166	7,657	338	14,480	1,421	3,475	7,020	2,416	148
July r	40,353	17,147	7,056	8,086	7,720	344	15,756	1,576	3,502	7,946	2,584	148
Aug. r	40,747	17,366	7,112	8,793	7,138	337	15,776	1,249	3,612	8,653	2,114	148
Sept. r	41,453	17,161	7,113	10,277	6,545	357	16,932	1,369	3,440	10,141	1,834	148
Oct. r	41,541	16,972	6,938	11,077	6,204	350	17,376	1,444	3,178	10,919	1,687	148
Nov. r	41,783	15,764	6,588	13,103	5,984	343	19,210	1,367	2,851	12,967	1,877	148
Dec. r	40,457	15,724	5,741	13,498	5,126	368	19,293	1,629	2,568	13,354	1,594	148
1971—Jan. r	40,716	14,635	5,543	13,768	6,393	378	19,727	1,729	2,503	13,609	1,738	148
Feb.	41,113	13,391	5,341	15,682	6,289	410	21,509	1,646	2,440	15,507	1,766	150
Mar. p	42,409	11,730	5,000	18,022	7,004	652	24,054	1,560	2,247	17,869	1,978	400
Apr. p	44,451	10,344	4,765	21,693	7,012	637	26,515	1,612	2,215	20,119	2,169	400

End of period	Total	To banks[8]					To other foreigners					To banks and other foreigners: payable in foreign currencies
		Payable in dollars										
		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[3]	Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[3]	
			Demand	Time[2]				Demand	Time[2]			
1968	18,916	14,299	10,374	1,273	30	2,621	4,444	1,797	2,199	86	362	173
1969 [6] r	27,577	23,412	16,745	1,988	20	4,658	3,939	1,709	1,811	107	312	226
	27,695	23,407	16,744	1,999	20	4,644	4,062	1,710	1,934	107	312	226
1970—Apr. r	26,685	22,499	15,547	1,790	19	5,143	3,972	1,785	1,740	74	373	214
May r	26,212	22,025	15,020	1,951	20	5,035	3,985	1,710	1,779	102	395	202
June r	25,847	21,564	14,817	1,859	26	4,862	4,093	1,770	1,824	120	380	190
July r	24,597	20,434	13,909	1,742	24	4,759	3,967	1,662	1,812	116	377	196
Aug. r	24,971	20,839	14,432	1,735	23	4,648	3,943	1,685	1,764	116	376	189
Sept. r	24,521	20,400	14,139	1,903	23	4,335	3,913	1,653	1,770	114	376	208
Oct. r	24,165	20,055	13,921	1,964	32	4,139	3,908	1,607	1,796	127	378	202
Nov. r	22,573	18,428	12,747	1,917	21	3,743	3,950	1,651	1,820	115	364	195
Dec. r	21,164	16,906	12,360	1,335	14	3,197	4,038	1,734	1,839	131	334	220
1971—Jan. r	20,989	16,711	11,218	1,194	29	4,271	4,048	1,689	1,845	130	385	230
Feb.	19,604	15,232	10,021	1,025	26	4,161	4,112	1,724	1,877	148	362	260
Mar. p	18,355	14,029	8,447	889	24	4,669	4,073	1,724	1,865	129	356	253
Apr. p	17,936	13,565	6,931	661	1,458	4,516	4,133	1,801	1,890	116	326	238

1 Data exclude "holdings of dollars" of the International Monetary Fund.

2 Excludes negotiable time certificates of deposit, which are included in "Other."

3 Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

4 U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold can be re-acquired by the IMF.

5 Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.

Includes difference between cost value and face value of securities in IMF gold investment account.

6 Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

7 Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.

8 Excludes central banks, which are included in "Official institutions."

NOTE.—"Short-term" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 10. Data exclude the "holdings of dollars" of the International Monetary Fund; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

9. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1969	1970						1971			
	Dec.	July r	Aug. r	Sept. r	Oct. r	Nov. r	Dec. r	Jan. r	Feb.	Mar. p	Apr. p
Europe:											
Austria	314	274	287	273	263	236	185	204	198	194	191
Belgium-Luxembourg	530	582	581	614	742	709	596	760	766	769	779
Denmark	153	189	189	195	193	187	189	196	216	220	219
Finland	120	134	140	137	134	139	117	117	112	114	115
France	1,581	2,030	2,282	2,286	2,311	2,417	2,267	2,354	2,263	2,344	2,297
Germany	1,381	4,241	4,505	5,439	5,977	7,543	7,520	7,795	8,518	9,568	10,316
Greece	207	198	199	204	212	198	184	162	176	140	145
Italy	627	902	839	909	1,104	1,162	1,317	1,579	1,629	1,766	1,903
Netherlands	463	469	631	626	800	748	762	584	654	744	620
Norway	341	272	309	287	315	291	324	317	313	364	403
Portugal	309	272	272	275	251	250	274	299	307	319	298
Spain	202	325	416	391	299	234	198	205	203	184	201
Sweden	412	429	431	389	378	449	503	519	541	577	631
Switzerland	2,005	2,192	2,032	2,015	1,985	1,914	1,947	1,936	2,011	2,021	2,144
Turkey	28	27	28	34	34	37	46	53	51	32	25
United Kingdom	11,349	8,339	8,600	9,113	7,865	6,659	5,508	5,637	5,210	4,778	5,086
Yugoslavia	37	35	27	33	31	49	37	36	46	41	33
Other Western Europe[1]	1,553	1,563	1,154	850	747	828	594	460	377	368	339
U.S.S.R.	11	8	7	3	13	13	15	11	9	12	22
Other Eastern Europe	50	53	41	46	43	48	54	63	56	53	45
Total	21,674	22,534	22,971	24,118	23,694	24,112	22,637	23,284	23,656	24,608	25,812
Canada	4,012	3,646	3,827	3,787	4,529	4,213	4,016	3,663	3,624	3,399	3,254
Latin America:											
Argentina	416	588	581	533	605	560	539	508	517	522	506
Brazil	425	544	427	398	415	353	305	344	326	291	301
Chile	400	444	429	325	359	327	265	256	252	258	259
Colombia	261	275	294	282	258	244	247	231	215	186	191
Cuba	7	6	7	7	6	7	7	7	8	8	7
Mexico	849	896	915	846	814	876	820	828	829	824	859
Panama	140	165	166	172	169	173	158	163	177	173	185
Peru	240	210	208	221	213	213	225	186	178	168	181
Uruguay	111	113	108	107	104	108	117	125	125	119	120
Venezuela	691	637	651	630	643	652	735	672	695	645	687
Other Latin American republics	576	653	638	633	619	604	620	617	614	609	601
Bahamas and Bermuda	1,405	1,306	1,189	1,015	761	806	745	798	675	631	957
Netherlands Antilles and Surinam	80	84	88	95	91	96	98	92	95	101	105
Other Latin America	34	42	37	33	37	42	39	37	38	49	48
Total	5,636	5,963	5,736	5,295	5,095	5,060	4,918	4,866	4,743	4,582	5,009
Asia:											
China Mainland	36	41	41	41	38	35	33	36	36	34	34
Hong Kong	213	226	245	235	250	274	258	305	322	295	281
India	260	363	356	366	401	426	302	236	229	188	211
Indonesia	86	59	61	53	50	85	73	60	65	52	73
Israel	146	131	115	121	118	107	135	121	128	122	154
Japan	3,809	3,942	3,996	4,149	4,274	4,557	5,147	5,166	5,452	6,325	6,815
Korea	236	307	280	263	195	185	199	193	178	191	184
Philippines	201	264	275	242	282	279	297	294	309	341	356
Taiwan	196	260	212	228	247	260	275	292	278	288	296
Thailand	628	603	591	585	549	511	508	489	469	443	381
Other	606	746	780	769	728	680	708	722	735	674	601
Total	6,417	6,942	6,952	7,053	7,134	7,401	7,936	7,913	8,201	8,951	9,384
Africa:											
Congo (Kinshasa)	87	50	30	18	17	17	14	16	13	17	19
Morocco	21	33	21	14	14	10	11	7	7	8	9
South Africa	66	47	49	47	53	55	83	71	71	56	74
U.A.R. (Egypt)	23	24	19	19	19	20	17	16	18	15	15
Other	505	663	684	677	566	471	395	469	334	278	268
Total	701	816	802	776	668	573	521	580	443	373	384
Other countries:											
Australia	282	418	428	389	390	392	389	376	398	453	567
All other	29	33	31	34	31	33	39	34	46	43	41
Total	311	451	459	423	421	425	428	410	444	495	608
Total foreign countries	38,751	40,353	40,747	41,453	41,541	41,783	40,457	40,716	41,113	42,409	44,451
International and regional:											
International[2]	1,261	1,250	1,330	848	881	873	975	1,175	1,086	1,099	1,210
Latin American regional	100	143	150	145	175	152	131	162	156	165	158
Other regional[3]	52	112	118	124	112	113	111	90	93	106	132
Total	1,413	1,505	1,598	1,117	1,168	1,138	1,217	1,427	1,335	1,370	1,500
Grand total	40,164	41,858	42,345	42,570	42,709	42,921	41,674	42,143	42,448	43,779	45,951

For notes see the following page.

9. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data [4]

Area or country	1968	1969		1970	
	Dec.	Apr.	Dec.	Apr.	Dec.
Other Western Europe:					
Cyprus	8	2	11	15	......
Iceland	6	4	9	10	10
Ireland, Rep. of	24	20	38	32	41
Other Latin American republics:					
Bolivia	66	65	68	76	69
Costa Rica	51	61	52	43	41
Dominican Republic	69	59	78	96	99
Ecuador	66	62	76	72	79
El Salvador	82	89	69	79	75
Guatemala	86	90	84	110	100
Haiti	17	18	17	19	16
Honduras	33	37	29	29	34
Jamaica	42	29	17	17	19
Nicaragua	67	78	63	76	59
Paraguay	16	18	13	17	16
Trinidad & Tobago	10	8	8	11	10
Other Latin America:					
British West Indies	25	25	30	38	33
Other Asia:					
Afghanistan	6	8	16	15	......
Burma	5	5	2	5	4
Cambodia	2	2	1	1	2
Ceylon	4	5	3	4	4
Iran	41	44	35	41	32
Iraq	86	77	26	6	......
Other Asia—Cont.:					
Jordan	3	4	17	30	......
Kuwait	67	40	46	66	......
Laos	3	4	3	4	5
Lebanon	78	82	83	82	54
Malaysia	52	41	30	48	22
Pakistan	60	24	35	34	38
Ryukyu Islands (incl. Okinawa)	17	20	25	26	......
Saudi Arabia	29	48	106	166	106
Singapore	67	40	17	25	57
Syria	2	4	4	6	7
Vietnam	51	40	94	91	179
Other Africa:					
Algeria	8	6	14	13	17
Ethiopia (incl. Eritrea)	13	15	20	33	19
Ghana	3	8	10	7	8
Kenya	29	34	43	47	38
Liberia	25	28	23	41	22
Libya	69	68	288	430	195
Nigeria	20	10	11	11	......
Southern Rhodesia	1	2	2	2	1
Sudan	5	3	3	1	1
Tanzania	21	23	10	18	......
Tunisia	7	2	6	7	7
Uganda	6	9	5	7	8
Zambia	25	19	20	38	10
All other:					
New Zealand	17	20	16	18	25

[1] Includes Bank for International Settlements and European Fund.
[2] Data exclude "holdings of dollars" of the International Monetary Fund but include IMF gold investment.
[3] Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."
[4] Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe").

10. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries				Country or area						
			Total	Official institutions	Banks [1]	Other foreigners	Argentina	Other Latin America	Israel	Japan	Thailand	Other Asia	All other countries
1967	2,560	698	1,863	1,807	15	40	251	234	126	443	218	502	89
1968	3,166	777	2,389	2,341	8	40	284	257	241	658	201	651	97
1969	2,490	889	1,601	1,505	55	41	64	175	41	655	70	472	124
1970—Apr.ʳ	2,273	844	1,429	1,318	64	46	25	210	6	636	49	376	127
Mayʳ	2,211	856	1,355	1,241	64	50	25	217	6	619	28	328	132
Juneʳ	2,127	847	1,280	1,116	116	48	25	216	6	576	28	242	187
Julyʳ	2,033	826	1,208	1,036	118	54	25	198	7	523	28	237	191
Aug.ʳ	1,936	838	1,097	928	118	51	25	145	7	499	22	204	194
Sept.ʳ	1,916	862	1,054	883	119	53	25	147	7	477	11	190	197
Oct.ʳ	1,835	844	991	820	119	52	25	147	7	466	9	140	196
Nov.ʳ	1,733	814	919	749	118	52	13	143	7	416	8	138	193
Dec.ʳ	1,696	787	909	695	160	54	13	138	6	385	8	122	236
1971—Jan.ʳ	1,569	717	852	635	157	60	13	144	6	340	8	107	233
Feb.	1,462	691	771	568	153	51	13	106	6	316	1	100	229
Mar.ᵖ	1,331	631	700	479	161	60	13	88	6	261	1	94	236
Apr.ᵖ	1,205	602	604	404	142	57	13	90	7	186	1	86	220

[1] Excludes central banks, which are included with "Official institutions."

11. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. GOVERNMENT BONDS AND NOTES

(End of period; in millions of dollars)

Area and country	1969	1970									1971			
	Dec.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.p	Apr.p
Europe:														
Denmark	9	6	6	6	6	6	6	5	5	3	3	3	3	3
France	6	6	6	6	6	6	6	6	6	6	6	7	7	7
Netherlands	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Norway	37	37	37	37	37	37	37	37	37	37	37	37	37	37
Sweden	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Switzerland	42	46	45	45	44	47	49	49	49	49	48	49	48	45
United Kingdom	407	359	369	396	401	411	423	424	447	499	546	544	537	545
Other Western Europe	24	24	24	24	24	24	24	24	24	24	25	30	30	30
Eastern Europe	7	7	7	7	7	7	7	7	6	6	6	6	6	6
Total	538	492	501	529	532	545	560	559	582	632	679	683	675	680
Canada	272	271	279	286	287	294	284	191	190	192	192	191	188	188
Latin America:														
Latin American republics	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Neth. Antilles & Surinam	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Other Latin America	2	2	2	2	3	4	4	5	4	4	4	4	4	4
Total	15	15	15	15	16	17	17	18	18	18	18	18	17	17
Asia:														
Japan	61	62	61	61	61	61	61	61	61	61	61	61	61	61
Other Asia	18	18	19	19	19	19	19	19	18	38	38	38	38	38
Total	79	80	81	81	81	81	80	80	80	99	99	99	99	99
Other countries	7	7	7	22	42	42	42	42	42	42	42	42	42	42
Total foreign countries	912	865	883	933	959	979	984	891	912	983	1,030	1,033	1,022	1,027
International and regional:														
International	32	30	30	30	30	22	22	22	22	*	*	16	114	114
Latin American regional	18	20	21	21	22	23	23	23	24	24	25	25	26	26
Asian regional	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Total	50	51	51	52	53	45	45	46	46	24	25	41	140	140
Grand total	962	916	934	985	1,012	1,024	1,030	936	959	1,008	1,054	1,074	1,162	1,167

NOTE.—Data represent estimated official and private holdings of marketable U.S. Govt. securities with an original maturity of more than 1 year, and are based on a Nov. 30, 1968, benchmark survey of holdings and regular monthly reports of securities transactions (see Table 16).

12. NONMARKETABLE U.S. TREASURY BONDS AND NOTES ISSUED TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES

(In millions of dollars or dollar equivalent)

End of period	Total	Payable in dollars									Payable in foreign currencies					
		Total	Belgium	Canada[1]	Denmark	Italy[2]	Korea	Sweden	Taiwan	Thailand	Total	Austria	Belgium	Germany[3]	Italy	Switzerland
1968	3,330	1,692	32	1,334	20	146	15	25	20	100	1,638	50	......	1,051	226	311
1969	[4]3,181	1,431	32	1,129	......	135	15	......	20	100	[4]1,750	......	......	[4]1,084	125	541
1970—May	3,096	2,013	32	1,729	......	117	15	......	20	100	1,083	......	......	542	......	541
June	3,511	2,428	32	2,229	......	32	15	......	20	100	1,083	......	......	542	......	541
July	3,508	2,425	32	2,229	......	29	15	......	20	100	1,083	......	......	542	......	541
Aug.	3,508	2,425	32	2,229	......	29	15	......	20	100	1,083	......	......	542	......	541
Sept.	3,508	2,425	32	2,229	......	29	15	......	20	100	1,083	......	......	542	......	541
Oct.	3,567	2,484	32	2,289	......	28	15	......	20	100	1,083	......	......	542	......	541
Nov.	3,564	2,481	32	2,289	......	25	15	......	20	100	1,083	......	......	542	......	541
Dec.	3,563	2,480	32	2,289	......	25	15	......	20	100	1,083	......	......	542	......	541
1971—Jan.	3,563	2,480	32	2,289	......	25	15	......	20	100	1,083	......	......	542	......	541
Feb.	3,563	2,480	32	2,289	......	25	15	......	20	100	1,083	......	......	542	......	541
Mar.	3,563	2,480	32	2,289	......	25	15	......	20	100	1,083	......	......	542	......	541
Apr.	3,563	2,480	32	2,289	......	25	15	......	20	100	1,083	......	......	542	......	541
May	[5]3,592	2,480	32	2,289	......	25	15	......	20	100	[5]1,111	......	......	542	......	[5]569

[1] Includes bonds issued in 1964 to the Government of Canada in connection with transactions under the Columbia River treaty. Amounts outstanding end of 1967 through Oct. 1968, $114 million; Nov. 1968 through Sept. 1969, $84 million; Oct. 1969 through Sept. 1970, $54 million; and Oct. 1970 through latest date, $24 million.

[2] Bonds issued to the Government of Italy in connection with military purchases in the United States.

[3] In addition, nonmarketable U.S. Treasury notes amounting to $125 million equivalent were issued to a group of German commercial banks in June 1968. The revaluation of the German mark in Oct. 1969 increased the dollar value of these notes by $10 million.

[4] Includes an increase in dollar value of $84 million resulting from revaluation of the German mark in Oct. 1969.

[5] Increase in valuation resulted from redemption of outstanding Swiss franc securities at old exchange rate and reissue of securities at new exchange rate with same maturity dates, at time of revaluation of Swiss franc. The new issues include some certificates of indebtedness issued to replace notes which were within a year of maturity.

13. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1969	1970						1971			
	Dec.	July	Aug.r	Sept.r	Oct.r	Nov.r	Dec.r	Jan.r	Feb.	Mar.p	Apr.p
Europe:											
Austria	7	13	7	4	5	8	6	4	4	5	17
Belgium-Luxembourg	56	53	52	70	68	71	50	69	68	68	57
Denmark	40	28	36	34	36	37	40	46	53	58	54
Finland	68	65	63	63	56	55	66	103	110	123	128
France	107	83	75	104	78	105	113	95	111	98	102
Germany	205	125	169	181	182	184	184	142	171	190	211
Greece	22	25	27	28	27	25	26	21	22	21	22
Italy	120	87	90	102	106	92	101	92	98	102	107
Netherlands	51	49	46	67	52	57	61	74	68	70	76
Norway	34	31	30	33	40	48	54	61	65	62	54
Portugal	8	12	8	10	16	13	11	12	14	15	15
Spain	70	52	51	59	58	54	52	49	56	59	65
Sweden	67	113	103	112	123	110	97	102	100	104	124
Switzerland	99	109	123	100	115	98	100	121	114	174	130
Turkey	19	17	10	6	4	4	9	3	4	5	8
United Kingdom	408	403	340	386	378	430	379	410	513	456	579
Yugoslavia	28	32	33	36	42	41	35	35	31	33	33
Other Western Europe	9	7	6	7	8	12	13	10	11	9	12
U.S.S.R.	2	1	2	3	3	1	3	2	2	3	3
Other Eastern Europe	34	45	43	40	43	41	45	36	41	47	51
Total	1,454	1,350	1,315	1,446	1,437	1,487	1,448	1,487	1,657	1,701	1,846
Canada	826	730	751	806	897	917	1,084	914	941	1,018	972
Latin America:											
Argentina	309	306	297	306	303	306	324	326	337	346	317
Brazil	317	299	296	316	323	322	322	309	320	360	387
Chile	188	210	210	205	199	189	199	186	184	179	165
Colombia	225	250	256	265	267	272	284	288	296	300	303
Cuba	14	14	14	14	14	13	13	13	13	13	13
Mexico	803	901	889	900	906	934	904	912	951	908	892
Panama	68	68	68	83	94	84	95	82	105	100	105
Peru	161	156	142	132	136	141	147	143	135	131	150
Uruguay	48	57	53	57	54	55	63	56	51	49	53
Venezuela	240	248	251	267	284	284	281	276	275	243	242
Other Latin American republics	295	295	294	285	298	321	340	334	336	326	328
Bahamas and Bermuda	93	56	64	78	133	105	179	178	157	200	190
Netherlands Antilles and Surinam	14	16	17	18	14	14	19	19	14	15	21
Other Latin America	27	23	20	22	20	22	22	22	21	22	22
Total	2,802	2,900	2,871	2,947	3,045	3,062	3,191	3,145	3,193	3,193	3,187
Asia:											
China Mainland	1	1	1	1	2	1	2	1	1	2	1
Hong Kong	36	41	35	46	36	36	39	40	41	49	60
India	10	12	11	10	12	12	13	16	13	15	24
Indonesia	30	36	42	46	41	54	56	49	49	66	45
Israel	108	90	80	82	105	110	120	99	130	97	110
Japan	3,432	3,484	3,387	3,331	3,370	3,538	3,890	3,675	3,480	3,482	3,356
Korea	158	222	228	227	218	197	196	196	194	221	243
Philippines	215	269	209	215	134	129	137	135	137	124	128
Taiwan	49	82	81	81	82	82	95	101	113	119	117
Thailand	101	96	106	108	100	97	109	106	109	109	118
Other	212	180	165	157	160	164	157	167	182	183	187
Total	4,352	4,511	4,345	4,304	4,262	4,420	4,815	4,585	4,448	4,466	4,389
Africa:											
Congo (Kinshasa)	6	5	4	6	4	5	4	7	4	6	5
Morocco	3	4	6	5	6	4	6	6	6	6	5
South Africa	55	69	68	72	72	76	77	83	84	86	93
U.A.R. (Egypt)	11	15	14	13	12	10	13	16	14	14	17
Other	86	65	65	63	63	72	79	78	85	101	103
Total	162	157	157	159	157	166	180	190	194	213	223
Other countries:											
Australia	53	63	66	60	59	59	64	70	105	73	73
All other	16	15	16	17	15	16	16	17	19	18	18
Total	69	78	82	77	75	75	80	87	124	91	91
Total foreign countries	9,664	9,726	9,520	9,739	9,872	10,127	10,798	10,408	10,557	10,681	10,709
International and regional	2	1	2	2	1	2	3	2	2	2	2
Grand total	9,667	9,727	9,521	9,741	9,873	10,129	10,801	10,410	10,559	10,683	10,711

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

14. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars								Payable in foreign currencies			
		Total	Loans to—				Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other
			Total	Official institutions	Banks[1]	Others							
1968	8,711	8,261	3,165	247	1,697	1,221	1,733	2,854	509	450	336	40	73
1969[2]	9,578	9,063	3,281	262	1,946	1,073	1,954	3,169	658	518	352	84	79
	9,667	9,151	3,278	262	1,943	1,073	2,015	3,202	656	516	352	89	74
1970—Apr.	9,518	9,040	3,116	335	1,734	1,047	2,241	3,223	459	478	342	76	60
May	9,806	9,308	3,193	315	1,825	1,053	2,312	3,244	559	498	338	93	66
June	10,010	9,543	3,316	305	1,932	1,079	2,344	3,287	595	467	314	83	69
July	9,727	9,306	3,191	256	1,873	1,063	2,350	3,234	531	421	296	66	59
Aug.r	9,521	9,058	2,975	178	1,711	1,087	2,354	3,171	557	463	354	50	59
Sept.r	9,741	9,261	3,231	186	1,936	1,109	2,381	3,056	593	479	366	40	74
Oct.r	9,873	9,358	3,129	109	1,897	1,123	2,438	3,158	634	515	366	67	83
Nov.r	10,129	9,574	3,132	95	1,894	1,143	2,429	3,330	683	555	354	112	89
Dec.r	10,801	10,150	3,038	119	1,709	1,210	2,414	3,966	732	651	393	92	166
1971—Jan.r	10,410	9,903	2,850	110	1,561	1,178	2,396	3,950	708	506	308	79	120
Feb.	10,559	10,024	2,937	88	1,578	1,270	2,389	3,972	726	535	334	111	90
Mar.p	10,683	10,119	2,996	100	1,589	1,307	2,376	4,026	721	564	365	102	96
Apr.p	10,711	10,177	3,088	107	1,726	1,255	2,320	4,086	683	534	338	92	104

[1] Excludes central banks which are included with "Official institutions."
[2] Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

15. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type						Country or area						
		Payable in dollars					Payable in foreign currencies	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries
		Loans to—				Other long-term claims								
		Total	Official institutions	Banks[1]	Other foreigners									
1968	3,567	3,158	528	237	2,393	394	16	68	479	428	1,375	122	617	479
1969	3,250	2,806	502	209	2,096	426	18	67	411	408	1,329	88	568	378
1970—Apr.	3,248	2,815	508	220	2,087	401	32	74	413	420	1,363	89	546	343
May	3,232	2,822	511	211	2,100	380	30	67	426	427	1,348	89	530	345
Juner	3,177	2,788	499	209	2,080	362	27	67	425	416	1,341	92	517	319
Julyr	3,127	2,745	486	215	2,044	354	29	69	396	417	1,337	100	502	307
Aug.r	3,131	2,719	470	225	2,023	383	29	64	398	411	1,324	106	515	312
Sept.r	3,155	2,750	460	244	2,046	377	28	65	395	416	1,357	108	499	314
Oct.r	3,229	2,839	531	256	2,053	359	30	67	407	409	1,342	109	582	312
Nov.r	3,216	2,825	515	247	2,064	364	26	66	387	398	1,362	113	583	307
Dec.r	3,067	2,691	504	230	1,957	352	25	71	411	312	1,318	115	548	292
1971—Jan.	2,953	2,601	485	208	1,909	327	24	70	412	278	1,272	117	523	280
Feb.	2,948	2,634	484	208	1,942	289	26	77	420	266	1,248	121	521	295
Mar.p	3,032	2,725	498	221	2,006	277	30	111	423	268	1,259	125	548	298
Apr.p	3,072	2,762	506	218	2,037	277	30	117	440	275	1,262	119	553	305

[1] Excludes central banks, which are included with "Official institutions."

16. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Govt. bonds and notes [1]					U.S. corporate securities [2]			Foreign bonds			Foreign stocks		
	Net purchases or sales													
	Total	Intl. and regional	Foreign			Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
			Total	Official	Other									
1969	−4	11	−15	−79	64	15,476	12,795	2,681	1,552	2,578	−1,026	1,519	2,037	−517
1970[r]	46	−25	71	−39	110	11,426	9,844	1,582	1,490	2,422	−932	1,033	995	38
1971 Jan.–Apr.[p]	159	115	44	5	38	5,552	5,156	396	592	967	−375	359	504	−145
1970—Apr.[r]	10	1	9	....	9	1,010	848	161	143	186	−42	80	104	−24
May	18	1	18	2	16	769	929	−160	116	70	47	109	90	18
June	51	*	50	15	35	858	783	76	113	97	16	74	60	15
July	27	1	26	20	6	783	649	134	126	263	−136	62	58	4
Aug.	13	−8	21	*	21	656	514	142	143	380	−237	60	45	15
Sept.[r]	5	*	5	....	5	1,034	703	331	110	93	17	76	90	−14
Oct.[r]	−93	*	−94	−91	−3	1,187	938	249	109	256	−147	71	120	−50
Nov.	23	1	22	*	22	754	609	145	97	87	10	65	76	−11
Dec.	49	−22	71	18	53	1,321	1,030	291	140	263	−123	83	86	−3
1971—Jan.	46	−1	47	....	47	1,242	1,022	220	116	425	−308	90	95	−5
Feb.	20	17	3	5	−2	1,516	1,411	105	126	107	19	68	108	−41
Mar.[p]	88	99	−11	....	−11	1,411	1,315	97	176	196	−20	85	121	−36
Apr.[p]	5	*	5	*	4	1,383	1,408	−25	174	241	−67	117	179	−63

[1] Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries; see Table 12.

[2] Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

NOTE.—Statistics include transactions of international and regional organizations.

17. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. & regional
1969	1,487	150	216	189	490	−245	295	1,094	125	136	90	7	−1	36
1970[r]	626	58	195	128	110	−33	24	482	−9	47	85	−1	1	22
1971–Jan.–Apr.[p]	71	−54	57	33	−9	−45	50	31	−29	32	16	*	−1	22
1970—Apr.[r]	5	−8	20	−23	12	−15	5	−10	25	−16	6	*	*	1
May[r]	−200	1	−2	33	−46	−102	−32	−149	−30	−25	3	−1	*	1
June	63	6	3	18	23	−23	14	41	8	−2	15	*	*	*
July	52	16	18	16	13	−14	9	58	−16	3	6	*	1	1
Aug.	104	7	18	16	40	20	11	113	−6	−9	4	*	*	2
Sept.	225	−4	36	37	49	29	6	154	26	20	22	*	*	2
Oct.	158	−3	23	13	−1	32	21	85	31	30	13	−1	*	−1
Nov.	98	7	13	18	11	3	31	84	6	1	*	*	*	7
Dec.	216	39	27	8	39	14	11	137	40	32	4	*	*	3
1971—Jan.	130	−13	27	14	26	7	46	107	11	6	−3	*	−1	11
Feb.	−32	−23	28	9	−6	−23	21	4	−34	−5	*	*	*	*
Mar.[p]	−26	−26	11	2	−26	−11	−9	−59	1	18	9	*	*	6
Apr.[p]	−1	8	−10	8	−4	−18	−9	−24	−7	14	11	*	−1	6

18. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional
1969	1,195	97	200	14	169	251	83	815	32	14	−11	−1	10	336
1970r	956	35	48	37	134	118	91	464	128	25	28	1	−12	324
1971—Jan.-Apr.p	325	18	7	2	70	63	49	209	34	8	−1	*	−12	89
1970—Apr.	156	7	4	16	32	10	7	76	7	6	1	*	*	65
May	40	3	*	*	14	−14	5	9	2	2	2	*	−1	26
June	13	4	−6	*	4	−12	3	−8	13	2	10	*	−6	3
Julyr	82	4	−2	−1	23	36	8	68	6	6	1	*	−1	1
Aug.	38	−1	−3	*	−1	−1	1	−4	21	2	*	*	−2	21
Sept.r	106	1	25	*	3	−1	2	31	16	−6	1	*	*	64
Oct.r	91	−1	*	1	8	−8	43	43	14	1	6	*	−2	29
Nov.	47	2	1	*	3	1	4	13	17	2	3	*	*	13
Dec.	75	2	7	−3	9	28	18	61	1	1	3	*	1	8
1971—Jan.	89	*	−6	*	15	2	*	12	28	−4	*	*	*	52
Feb.	137	4	3	2	16	21	39	85	−4	1	1	*	−12	65
Mar.p	123	10	14	1	32	32	5	92	11	6	3	*	*	11
Apr.p	−23	3	−3	*	7	7	5	19	−2	4	−6	*	*	−39

NOTE.—Statistics include State and local govt. securities, and securities U.S. Govt. agencies and corporations that are not guaranteed by the United States. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

19. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1969	−1,544	66	−1,610	74	−1,128	−98	−471	−6	20
1970r	−894	−254	−641	50	−569	−11	−125	−6	20
1971—Jan.-Apr.p	−520	−236	−284	−47	−59	−2	−181	−1	6
1970—Apr.	−66	9	−75	17	−82	−2	−9	*	1
May	65	11	54	−1	42	3	8	*	2
June	30	5	25	1	39	−1	−15	*	1
July	−132	−38	−94	9	−78	−23	−1	*	*
Aug.	−222	−158	−64	4	−127	56	2	*	1
Sept.	3	16	−13	5	22	−30	−12	*	2
Oct.	−197	−91	−106	−33	−51	3	−27	*	2
Nov.	−1	3	−4	−10	15	−2	−9	−1	1
Dec.	−125	4	−129	−22	−74	−5	−31	−1	4
1971—Jan.	−313	−197	−117	2	−82	−10	−29	*	2
Feb.	−21	−4	−17	−21	27	4	−29	*	1
Mar.p	−56	11	−67	6	−34	6	−44	−1	1
Apr.p	−129	−46	−83	−34	29	−2	−79	*	1

20. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1967	311	298
1968	636	508
1969—Mar.	553	393
June	566	397
Sept.	467	297
Dec.	434	278
1970—Mar.	368	220
June	334	182
Sept.	291	203
Dec.	349	279
1971—Mar.p	511	314

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

21. LIABILITIES OF U.S. BANKS TO THEIR FOREIGN BRANCHES AND FOREIGN BRANCH HOLDINGS OF SPECIAL U.S. GOVT. SECURITIES

(Amounts outstanding; in millions of dollars)

Wednesday	Amount	Wednesday	Amount	Wednesday	Amount
1966		1970		1971 r	
Mar. 30	1,879	Jan. 28	13,605	Jan. 6	7,424
June 29	1,951	Feb. 25	13,086	13	7,863
Sept. 28	3,472	Mar. 25	11,885	20	7,823
Dec. 28	4,036	Apr. 29	11,944	27	7,536
1967		May 27	12,346	Feb. 3	7,432
Mar. 29	3,412	June 24	12,172	10	7,233
June 28	3,166	July 29	10,469	17	6,872
Sept. 27	4,059	Aug. 26	10,629	24	6,666
Dec. 27	4,241	Sept. 2	10,332	Mar. 3	6,516
1968		9	10,220	10	6,306
Mar. 27	4,920	16	10,525	17	5,680
June 26	6,202	23	10,126	24	5,838
Sept. 25	7,104	30	9,663	31	4,358
Dec. 31 (1/1/69)	6,039	Oct. 7	9,830	Apr. 7	4,759
1969		14	9,589	14	5,318
Mar. 26	9,621	21	9,595	21	5,252
June 25	13,269	28	9,297	28	5,166
Sept. 24	14,349	Nov. 4	9,024	May 5	5,012
Dec. 31	12,805	11	8,892	12	4,606
		18	8,766	19	4,636
		25	8,435	26	4,587
		Dec. 2	8,252		
		9	8,215		
		16	8,305		
		23	7,902		
		30	7,676		

NOTE.—The data represent gross liabilities of reporting banks to their branches in foreign countries and special U.S. Govt. securities held by foreign branches as follows: Export-Import bank securities, $1,000 million, Jan. 27, 1971—Feb. 24, 1971, and $1,500 million, Mar. 3, 1971, through latest date; and $1,508 million of Treasury Certificates Eurodollar Series beginning Apr. 14, 1971.

22. MATURITY OF EURO-DOLLAR DEPOSITS IN FOREIGN BRANCHES OF U.S. BANKS

(End of month; in billions of dollars)

Maturity of liability	1971 Jan.	Feb.	Mar.
Overnight	1.51	1.67	1.62
Call	1.77	2.02	1.96
Other liabilities, maturing in following calendar months after report date:			
1st	8.85	9.13	10.03
2nd	5.00	4.93	3.70
3rd	3.91	2.95	3.52
4th	1.51	1.84	2.08
5th	1.59	1.78	1.57
6th	1.48	1.42	1.32
7th	.23	.28	.22
8th	.20	.21	.30
9th	.18	.29	.33
10th	.23	.25	.20
11th	.24	.17	.20
12th	.14	.17	.26
Maturities of more than 1 year	.54	.57	.70
Total	27.39	27.66	28.01

NOTE.—Includes interest-bearing U.S. dollar deposits and direct borrowings of all branches in the Bahamas and of all other foreign branches for which such deposits and direct borrowings amount to $50 million or more.

Details may not add to totals due to rounding

23. DEPOSITS, U.S. GOVT. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGNERS

(In millions of dollars)

End of period	Deposits	Assets in custody: U.S. Govt. securities[1]	Assets in custody: Earmarked gold
1968	216	9,120	13,066
1969	134	7,030	12,311
1970—May	128	9,754	12,239
June	168	10,888	12,240
July	199	11,803	12,217
Aug.	173	12,489	12,283
Sept.	136	13,983	12,611
Oct.	142	14,458	12,617
Nov.	136	16,196	12,644
Dec.	148	16,226	12,926
1971—Jan.	129	16,206	12,958
Feb.	147	18,033	12,981
Mar.	201	20,534	13,057
Apr.	162	22,879	13,095
May	208	28,126	13,447

[1] U.S. Treasury bills, certificates of indebtedness, notes, and bonds; includes securities payable in foreign currencies.

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

24. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars: Deposits	Payable in dollars: Short-term invest-ments[1]	Payable in foreign currencies: Deposits	Payable in foreign currencies: Short-term invest-ments[1]	United King-dom	Canada
1968	1,638	1,219	87	272	60	979	280
1969[2]	1,319	952	116	174	76	610	469
	1,454	1,025	161	183	86	663	519
1970—Apr.	1,438	1,053	178	142	66	892	270
May	1,459	1,011	200	138	109	837	331
June	1,476	1,041	174	148	112	754	359
July	1,423	1,009	181	159	74	752	309
Aug.	1,276	868	164	151	94	662	297
Sept.	1,375	889	183	177	126	668	382
Oct. r	1,418	905	177	177	159	641	440
Nov. r	1,436	924	171	175	166	628	472
Dec. r	1,045	619	133	172	121	363	417
1971—Jan. r	1,211	795	124	180	114	511	363
Feb. r	1,270	786	152	191	141	539	401
Mar.	1,325	865	142	176	143	586	372

[1] Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

[2] Data on the two lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 26.

25. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1969	1970				1969	1970			
	Dec.	Mar.	June	Sept.	Dec.p	Dec.	Mar.	June	Sept.	Dec.p
Europe:										
Austria	4	3	4	6	8	5	7	8	9	10
Belgium-Luxembourg	65	72	71	66	46	59	60	58	54	47
Denmark	3	3	3	3	2	16	17	17	16	17
Finland	2	1	1	1	2	7	8	8	13	11
France	137	127	156	141	127	122	155	176	154	150
Germany, Fed. Rep. of	218	193	164	166	139	219	172	174	192	209
Greece	4	3	3	3	4	19	19	27	28	28
Italy	85	83	85	70	77	155	169	173	160	163
Netherlands	90	110	116	121	126	64	72	72	62	62
Norway	4	5	5	6	5	17	12	13	13	16
Portugal	10	6	5	10	14	10	14	18	14	15
Spain	59	55	47	48	24	77	78	72	73	81
Sweden	38	29	31	35	34	32	27	27	25	40
Switzerland	129	157	157	183	159	45	47	37	45	44
Turkey	3	2	2	3	4	12	12	11	13	8
United Kingdom	431	556	635	641	770	999	1,198	1,081	1,010	689
Yugoslavia	1	2	1	1	2	18	19	15	17	17
Other Western Europe	21	19	21	21	11	12	11	12	9	8
Eastern Europe	1	2	3	5	4	22	17	20	24	24
Total	1,304	1,428	1,509	1,532	1,556	1,909	2,111	2,020	1,932	1,639
Canada	226	204	204	213	213	819	635	683	696	762
Latin America										
Argentina	9	11	15	10	11	54	55	62	61	61
Brazil	18	13	14	17	19	86	97	100	107	120
Chile	10	8	9	11	11	41	42	37	42	49
Colombia	7	6	5	6	6	33	36	37	37	37
Cuba	*	*	*	*	*	1	1	1	1	1
Mexico	17	24	21	28	21	146	143	135	149	154
Panama	4	8	5	5	5	19	19	19	18	18
Peru	12	10	6	6	4	30	34	37	29	36
Uruguay	5	5	5	5	4	7	8	6	5	6
Venezuela	16	13	19	14	18	58	69	65	72	71
Other L.A. republics	43	27	28	35	37	90	92	102	97	99
Bahamas and Bermuda	31	46	57	89	144	66	84	159	139	121
Neth. Antilles and Surinam	2	4	38	24	23	6	7	8	10	9
Other Latin America	4	5	6	5	6	17	25	19	23	29
Total	179	178	229	255	311	655	713	786	790	811
Asia:										
Hong Kong	7	7	7	8	9	11	14	17	19	17
India	20	27	37	41	38	37	36	41	42	34
Indonesia	5	5	7	7	9	12	11	17	14	21
Israel	14	15	17	21	25	36	34	23	21	23
Japan	143	132	114	135	144	255	297	311	314	322
Korea	2	1	2	1	1	28	27	50	29	42
Philippines	9	6	7	7	7	40	32	33	32	30
Taiwan	3	4	4	8	9	19	23	29	27	33
Thailand	3	3	3	4	4	15	15	15	13	11
Other Asia	27	26	28	47	48	119	113	125	145	146
Total	233	227	227	282	294	574	602	662	657	678
Africa:										
Congo (Kinshasa)	2	3	14	15	2	4	4	5	4	3
South Africa	14	19	19	24	34	30	28	35	29	30
U.A.R. (Egypt)	7	1	2	2	1	9	9	10	11	9
Other Africa	29	33	37	51	40	46	47	49	48	50
Total	52	56	72	90	78	88	87	99	92	92
Other countries:										
Australia	61	65	70	75	75	61	65	85	71	81
All other	7	6	6	5	7	10	13	14	15	15
Total	68	71	76	80	82	71	78	100	86	95
International and regional	*	*	*	*	*	*	1	2	1	1
Grand total	2,063	2,166	2,317	2,453	2,535	4,117	4,227	4,350	4,253	4,079

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States. Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

26. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies: Deposits with banks abroad in reporter's name	Payable in foreign currencies: Other
1966—Dec.	1,089	827	262	2,628	2,225	167	236
1967—Mar.	1,148	864	285	2,689	2,245	192	252
June	1,203	916	287	2,585	2,110	199	275
Sept.	1,353	1,029	324	2,555	2,116	192	246
Dec.	1,371	1,027	343	2,946	2,529	201	216
Dec.[1]	1,386	1,039	347	3,011	2,599	203	209
1968—Mar.	1,358	991	367	3,369	2,936	211	222
June	1,473	1,056	417	3,855	3,415	210	229
Sept.	1,678	1,271	407	3,907	3,292	422	193
Dec.	1,608	1,225	382	3,783	3,173	368	241
1969—Mar.	1,576	1,185	391	4,014	3,329	358	327
June	1,613	1,263	350	4,023	3,316	429	278
Sept.	1,797	1,450	346	3,874	3,222	386	267
Dec.	1,786	1,399	387	3,710	3,124	221	365
Dec.[1]	2,063	1,627	435	4,117	3,494	244	379
1970—Mar.	2,166	1,687	479	4,227	3,695	219	313
June	2,317	1,801	516	4,350	3,765	234	351
Sept.	2,453	1,928	525	4,253	3,653	297	303
Dec.p	2,535	2,114	421	4,079	3,507	231	342

[1] Data differ from that shown for Dec. in line above because of changes in reporting coverage.

27. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims									
		Total	Country or area: United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1966—Dec.	329	1,256	27	198	272	203	56	212	95	93	87	13
1967—Mar.	454	1,324	31	232	283	203	58	210	108	98	84	17
June	430	1,488	27	257	303	214	88	290	110	98	85	15
Sept.	411	1,452	40	212	309	212	84	283	109	103	87	13
Dec.	414	1,537	43	257	311	212	85	278	128	117	89	16
Dec.[1]	428	1,570	43	263	322	212	91	274	128	132	89	16
1968—Mar.	582	1,536	41	265	330	206	61	256	128	145	84	21
June	747	1,568	32	288	345	205	67	251	129	134	83	33
Sept.	767	1,625	43	313	376	198	62	251	126	142	82	32
Dec.	1,129	1,790	147	306	419	194	73	230	128	171	83	38
1969—Mar.	1,285	1,872	175	342	432	194	75	222	126	191	72	43
June	1,325	1,952	168	368	447	195	76	216	142	229	72	40
Sept.	1,418	1,965	167	369	465	179	70	213	143	246	71	42
Dec.	1,725	2,215	152	433	496	172	73	388	141	249	69	42
Dec.[1]	2,246	2,332	152	443	537	174	77	417	142	269	75	46
1970—Mar.	2,307	2,714	159	735	549	178	74	455	158	286	71	47
June	2,561	2,727	161	712	557	175	65	475	166	286	76	54
Sept.	2,746	2,856	157	720	597	177	63	584	144	283	73	58
Dec.p	3,091	2,910	146	709	645	181	59	606	140	290	71	64

[1] Data differ from that shown for Dec. in line above because of changes in reporting coverage.

FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Argentina (peso)	Australia (pound)	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Ceylon (rupee)	Denmark (krone)	Finland (markka)
1966	.48690	223.41	[1] 111.22	3.8686	2.0067	92.811	20.946	14.475	31.061
1967	.30545	....	111.25	3.8688	2.0125	92.689	20.501	14.325	[2] 29.553
1968	.28473	....	111.25	3.8675	2.0026	92.801	16.678	13.362	23.761
1969	.28492	....	111.10	3.8654	1.9942	92.855	16.741	13.299	23.774
1970	[3] 26.589	....	111.36	3.8659	2.0139	95.802	16.774	13.334	23.742
1970—May	28.500	....	111.73	3.8614	2.0140	93.195	16.770	13.324	23.748
June	27.241	....	111.45	3.8618	2.0142	[4] 96.273	16.770	13.334	23.748
July	24.934	....	111.12	3.8670	2.0146	96.872	16.770	13.330	23.748
Aug.	24.936	....	110.99	3.8638	2.0145	97.890	16.770	13.329	23.748
Sept.	24.888	....	110.87	3.8684	2.0145	98.422	16.770	13.331	23.748
Oct.	24.874	....	110.97	3.8698	2.0146	97.890	16.775	13.331	23.736
Nov.	24.864	....	111.11	3.8676	2.0147	98.014	16.792	13.336	23.722
Dec.	24.836	....	111.12	3.8681	2.0137	98.276	16.792	13.354	23.722
1971—Jan.	24.829	....	111.82	3.8665	2.0145	98.831	16.792	13.361	23.722
Feb.	24.831	....	112.38	3.8651	2.0148	99.261	16.792	13.359	23.722
Mar.	24.835	....	112.42	3.8670	2.0145	99.367	16.792	13.368	23.722
Apr.	24.673	....	112.38	3.8696	2.0144	99.237	16.792	13.353	23.727
May	24.156	....	112.42	[5] 3.9676	2.0164	99.138	16.792	13.334	23.735

Period	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)
1966	20.352	25.007	[6] 16.596	279.30	.16014	.27598	32.538	8.0056	27.630
1967	20.323	25.084	13.255	275.04	.16022	.27613	32.519	8.0056	27.759
1968	20.191	25.048	13.269	239.35	.16042	.27735	32.591	8.0056	27.626
1969	[7] 19.302	[8] 25.491	13.230	239.01	.15940	.27903	32.623	8.0056	27.592
1970	18.087	27.424	13.233	239.59	.15945	.27921	32.396	8.0056	27.651
1970—May	18.108	27.523	13.240	240.37	.15897	.27862	32.449	8.0056	27.565
June	18.111	27.528	13.230	239.77	.15897	.27864	32.391	8.0056	27.588
July	18.120	27.537	13.219	239.06	.15893	.27826	32.308	8.0056	27.694
Aug.	18.109	27.537	13.212	238.77	.15928	.27915	32.287	8.0056	27.775
Sept.	18.112	27.537	13.211	238.53	.16005	.27935	32.314	8.0056	27.785
Oct.	18.104	27.531	13.217	238.74	.16052	.27948	32.395	8.0056	27.781
Nov.	18.120	27.544	13.231	239.03	.16064	.27956	32.402	8.0056	27.793
Dec.	18.107	27.437	13.229	239.06	.16039	.27959	32.382	8.0056	27.763
1971—Jan.	18.119	27.496	13.269	240.58	.16045	.27932	32.515	8.0056	27.820
Feb.	18.122	27.594	13.311	241.78	.16036	.27969	32.615	8.0056	27.814
Mar.	18.129	27.538	13.304	241.87	.16063	.27971	32.616	8.0056	27.816
Apr.	18.126	27.516	13.315	241.74	.16070	.27972	32.604	8.0056	27.776
May	18.094	[9] 28.144	13.330	241.87	.16059	.27979	32.642	8.0056	[9] 28.135

Period	New Zealand (pound)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1966	276.54	....	13.984	3.4825	139.13	1.6651	19.358	23.114	279.30
1967	276.69	[10] 131.97	13.985	3.4784	139.09	1.6383	19.373	23.104	275.04
1968	....	111.37	14.000	3.4864	139.10	1.4272	19.349	23.169	239.35
1969	....	111.21	13.997	3.5013	138.90	1.4266	19.342	23.186	239.01
1970	....	111.48	13.992	3.4978	139.24	1.4280	19.282	23.199	239.59
1970—May	....	111.84	13.987	3.5033	139.69	1.4280	19.233	23.199	240.37
June	....	111.56	13.985	3.4978	139.35	1.4288	19.266	23.171	239.77
July	....	111.23	13.951	3.4913	138.93	1.4290	19.282	23.235	239.06
Aug.	....	111.10	13.998	3.4898	138.76	1.4290	19.306	23.247	238.77
Sept.	....	110.98	13.994	3.4886	138.62	1.4287	19.225	23.219	238.53
Oct.	....	111.08	13.993	3.4893	138.74	1.4290	19.282	23.090	238.74
Nov.	....	111.22	13.996	3.4924	138.91	1.4290	19.324	23.155	239.03
Dec.	....	111.23	14.021	3.4919	138.93	1.4290	19.340	23.187	239.06
1971—Jan.	....	111.94	14.003	3.5000	139.81	1.4290	19.365	23.227	240.58
Feb.	....	112.50	14.001	3.5031	140.51	1.4290	19.332	23.266	241.78
Mar.	....	112.54	14.010	3.5019	140.56	1.4290	19.369	23.254	241.87
Apr.	....	112.50	14.028	3.5000	140.51	1.4291	19.368	23.263	241.79
May	....	112.54	13.556	3.5013	140.56	1.4291	19.357	[11] 24.253	241.87

[1] Effective Feb. 14, 1966, Australia adopted the decimal currency system. The new unit, the dollar, replaces the pound and consists of 100 cents, equivalent to 10 shillings or one-half the former pound.

[2] Effective Oct. 12, 1967, the Finnish markka was devalued from 3.2 to 4.2 markkaa per U.S. dollar.

[3] A new Argentine peso, equal to 100 old pesos, was introduced on Jan. 1, 1970. Effective June 18, 1970, the peso was devalued from 3.50 to 4.00 pesos per U.S. dollar. Effective Apr. 6, 1971, the peso was devalued to 4.06 per U.S. dollar. Effective May 4, 1971, the peso was devalued to 4.12 per U.S. dollar.

[4] On June 1, 1970, the Canadian Government announced that, for the time being, Canada will not maintain the exchange rate of the Canadian dollar within the margins required by IMF rules.

[5] Effective May 9, 1971, the Austrian schilling was revalued to 24.75 per U.S. dollar.

[6] Effective June 6, 1966, the Indian rupee was devalued from 4.76 to 7.5 rupees per U.S. dollar.

[7] Effective Aug. 10, 1969, the French franc was devalued from 4.94 to 5.55 francs per U.S. dollar.

[8] Effective Oct. 26, 1969, the new par value of the German mark was set at 3.66 per U.S. dollar.

[9] Effective May 10, 1971, the German mark and Netherlands guilder have been floated.

[10] Effective July 10, 1967, New Zealand adopted the decimal currency system. The new unit, the dollar, replaces the pound and consists of 100 cents, equivalent to 10 shillings or one-half the former pound.

[11] Effective May 10, 1971, the Swiss franc was revalued to 4.08 per U.S. dollar.

NOTE.—After the devaluation of the pound sterling on Nov. 18, 1967, the following countries devalued their currency in relation to the U.S. dollar: Ceylon, Denmark, Ireland, New Zealand, and Spain.

Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of May 31, 1970		Changes during the last 12 months												Rate as of May 31, 1971
			1970							1971					
	Per cent	Month effective	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	
Argentina	6.0	Dec. 1957													6.0
Austria	5.0	Jan. 1970													5.0
Belgium	7.5	Sept. 1969					7.0		6.5			6.0			6.0
Brazil	20.0	July 1969													20.0
Burma	4.0	Feb. 1962													4.0
Canada	7.5	May 1970	7.0			6.5		6.0			5.25				5.25
Ceylon	5.5	May 1968													5.5
Chile	14.0	July 1969													14.0
Colombia	8.0	May 1963													8.0
Costa Rica	4.0	June 1966													4.0
Denmark	9.0	May 1969								8.0			7.5		7.5
Ecuador	8.0	Jan. 1970													8.0
El Salvador	4.0	Aug. 1964													4.0
Finland	7.0	Apr. 1962													7.0
France	8.0	Oct. 1969			7.5		7.0			6.5				6.75	6.75
Germany, Fed. Rep. of	7.5	Mar. 1970		7.0				6.5	6.0				5.0		5.0
Ghana	5.5	Mar. 1968													5.5
Greece	6.0	July 1969													6.0
Honduras	3.0	Jan. 1962													3.0
Iceland	9.0	Jan. 1966													9.0
India	5.0	Mar. 1968								6.0					6.0
Indonesia	6.0	May 1969											6.0		6.0
Iran	8.0	Aug. 1969													8.0
Ireland	7.31	May 1970													7.31
Israel	6.0	Feb. 1955													6.0
Italy	5.5	Mar. 1970											5.0		5.0
Jamaica	6.0	May 1969											5.5		5.5
Japan	6.25	Sept. 1969					6.0			5.75				5.5	5.5
Korea	24.0	Apr. 1970							23.0						23.0
Mexico	4.5	June 1942													4.5
Netherlands	6.0	Aug. 1969											5.5		5.5
New Zealand	7.0	Mar. 1961													7.0
Nicaragua	6.0	Apr. 1954													6.0
Norway	4.5	Sept. 1969													4.5
Pakistan	5.0	June 1965													5.0
Peru	9.5	Nov. 1959													9.5
Philippine Republic	10.0	June 1969													10.0
Portugal	3.5	Apr. 1970									3.75				3.75
South Africa	5.5	Aug. 1968										6.5			6.5
Spain	6.5	Mar. 1970								6.25			6.0		6.0
Sweden	7.0	July 1969										6.5	6.0		6.0
Switzerland	3.75	Sept. 1969													3.75
Taiwan	10.8	May 1969							9.8						9.8
Thailand	5.0	Oct. 1959													5.0
Tunisia	5.0	Sept. 1966													5.0
Turkey	7.5	May 1961				9.0									9.0
United Arab Rep. (Egypt)	5.0	May 1962													5.0
United Kingdom	7.0	Apr. 1970											6.0		6.0
Venezuela	5.5	June 1969					5.0								5.0
Vietnam	7.0	Mar. 1970				18.0									18.0

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Chile—1 per cent for loans to consumer cooperatives and to handicraft and small- and medium-sized industries; 6 per cent for industrial transformation loans; 8 per cent for preshipment loans, agricultural paper and loans to firms following prescribed policies; 17 per cent for construction paper beyond a basic rediscount period, personal loans, special rediscounts, and cash position loans; and 18 per cent for selective rediscounts. A fluctuating rate applies to paper covering the acquisition of capital goods.

Colombia—5 per cent for warehouse receipts covering approved lists of products, 6 and 7 per cent for agricultural bonds, and 12 and 18 per cent for rediscounts in excess of an individual bank's quota;

Costa Rica—5 per cent for paper related to commercial transactions (rate shown is for agricultural and industrial paper);

Ecuador—5 per cent for special advances and for bank acceptances for agricultural purposes, 7 per cent for bank acceptances for industrial purposes, and 10 per cent for advances to cover shortages in legal reserves;

Honduras—Rate shown is for advances only.

Indonesia—Various rates depending on type of paper, collateral, commodity involved, etc.;

Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

Peru—3.5, 5, and 7 per cent for small credits to agricultural or fish production, import substitution industries and manufacture of exports; 8 per cent for other agricultural, industrial and mining paper;

Philippines—6 per cent for financing the production, importation, and distribution of rice and corn and 7.75 per cent for credits to enterprises engaged in export activities. Preferential rates are also granted on credits to rural banks; and

Venezuela—2 per cent for rediscounts of certain agriculture paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

Vietnam—10 per cent for export paper; treasury bonds are rediscounted at a rate 4 percentage points above the rate carried by the bond; and there is a penalty rate of 24 per cent for banks whose loans exceed quantitative ceilings.

OPEN MARKET RATES

(Per cent per annum)

Month	Canada: Treasury bills, 3 months[1]	Canada: Day-to-day money[2]	United Kingdom: Bankers' acceptances, 3 months	United Kingdom: Treasury bills, 3 months	United Kingdom: Day-to-day money	United Kingdom: Bankers' allowance on deposits	France: Day-to-day money[3]	Germany, Fed. Rep. of: Treasury bills, 60–90 days[4]	Germany, Fed. Rep. of: Day-to-day money[5]	Netherlands: Treasury bills, 3 months	Netherlands: Day-to-day money	Switzerland: Private discount rate
1968—Dec.	5.96	5.31	7.26	6.80	5.99	5.00	8.22	2.75	1.84	4.65	4.96	3.75
1969—Dec.	7.15	6.95	8.49	7.64	6.75	5.84	8.97	4.42	4.81	5.55	5.98	4.21
1969—Dec.	7.78	7.78	8.88	7.70	6.90	6.00	10.38	5.75	8.35	6.00	7.11	4.75
1970—May	6.51	6.66	8.06	6.82	6.03	5.00	8.90	7.00	9.23	6.00	7.07	5.25
June	5.90	5.98	8.06	6.87	6.03	5.00	9.35	7.00	8.76	6.00	6.92	5.25
July	5.79	6.00	8.07	6.82	6.01	5.00	8.57	6.75	8.86	6.00	6.96	5.25
Aug.	5.66	5.74	8.06	6.81	6.08	5.00	8.13	6.75	7.85	6.00	6.03	5.25
Sept.	5.44	5.51	8.06	6.82	5.84	5.00	8.13	6.75	9.15	6.00	6.31	5.25
Oct.	5.25	5.24	8.06	6.81	5.93	5.00	7.82	6.75	7.43	6.00	6.89	5.25
Nov.	4.74	4.52	8.06	6.81	5.81	5.00	7.30	6.25	8.44	5.75	4.33	5.25
Dec.	4.47	5.07	8.06	6.82	5.95	5.00	7.46	5.75	7.52	5.91	6.73	5.25
1971—Jan.	4.59	5.25	8.06	6.79	5.84	5.00	6.46	5.75	7.61	5.60	4.46	5.25
Feb.	4.51	4.90	8.06	6.75	6.08	5.00	6.00	5.75	7.32	5.05	5.41	5.25
Mar.	3.30	3.48	8.06	6.66	6.12	5.00	5.77	5.75	7.36	4.49	3.27	5.25
Apr.	3.04	2.65	7.06	5.75	5.15	4.00	....	4.75	4.23	3.59	1.13	5.25
May	3.06	2.76	7.06	5.65	5.36	4.00	....	....	....	3.88	1.84	....

1 Based on average yield of weekly tenders during month.
2 Based on weekly averages of daily closing rates.
3 Rate shown is on private securities.
4 Rate in effect at end of month.
5 Monthly averages based on daily quotations.

NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

ARBITRAGE ON TREASURY BILLS

(Per cent per annum)

Date	United States and United Kingdom: Treasury bill rates: United Kingdom (adj. to U.S. quotation basis)	United States and United Kingdom: Treasury bill rates: United States	United States and United Kingdom: Treasury bill rates: Spread (favor of London)	United States and United Kingdom: Premium (+) or discount (−) on forward pound	United States and United Kingdom: Net incentive (favor of London)	United States and Canada: Treasury bill rates: Canada: As quoted in Canada	United States and Canada: Treasury bill rates: Canada: Adj. to U.S. quotation basis	United States and Canada: Treasury bill rates: United States	United States and Canada: Treasury bill rates: Spread (favor of Canada)	United States and Canada: Premium (+) or discount (−) on forward Canadian dollars	United States and Canada: Net incentive (favor of Canada)
1970											
Dec. 4	6.69	4.87	1.82	−.71	1.11	4.46	4.36	4.87	−.51	.65	.14
11	6.69	4.80	1.89	−.80	1.09	4.54	4.42	4.80	−.38	.61	.23
18	6.69	4.68	2.01	−.68	1.33	4.51	4.35	4.68	−.33	.61	.28
24	6.69	4.78	1.91	−.91	1.00	4.40	4.29	4.78	−.49	.00	−.49
31	6.69	4.80	1.89	−.92	.97	4.44	4.33	4.80	−.47	−.12	−.59
1971											
Jan. 8	6.69	4.69	2.00	−.99	1.01	4.55	4.44	4.69	−.25	.30	−.55
15	6.66	4.35	2.31	−1.52	.79	4.65	4.53	4.35	.18	−.63	.45
22	6.66	4.06	2.60	−2.28	.32	4.55	4.44	4.06	.38	−.83	−.45
29	6.66	4.08	2.58	−2.72	−.14	4.72	4.60	4.08	.52	1.11	−.59
Feb. 5	6.66	3.97	2.69	−2.70	−.01	4.83	4.71	3.97	.74	−1.03	−.29
11	6.66	3.62	3.04	−3.17	−.13	4.83	4.71	3.62	1.09	−1.05	.04
19	6.60	3.37	3.23	−3.57	−.34	4.58	4.47	3.37	1.10	−1.01	.09
26	6.60	3.33	3.27	−3.13	.14	4.03	3.94	3.33	.61	−1.09	−.48
Mar. 5	6.70	3.28	3.42	−3.61	−.19	3.98	3.86	3.28	.58	−.88	−.30
12	6.70	3.16	3.54	−3.34	.20	3.30	3.23	3.16	.07	−.18	−.11
19	6.57	3.30	3.27	−3.20	.07	3.01	2.95	3.30	−.35	.38	.03
26	6.57	3.32	3.25	−2.85	.40	3.05	2.99	3.32	−.33	.14	−.19
Apr. 2	5.64	3.58	2.06	−2.25	−.19	3.13	3.06	3.58	−.52	.32	−.20
9	5.67	3.78	1.89	−2.61	−.72	3.03	2.98	3.78	−.80	.40	−.40
16	5.70	3.82	1.88	−2.79	−.91	3.12	3.05	3.82	−.77	.52	−.25
23	5.58	3.70	1.88	−2.32	−.35	3.03	2.97	3.70	−.73	.93	.20
30	5.55	3.93	1.62	−2.13	−.51	3.01	2.95	3.93	−.98	.81	−.17
May 7	5.55	3.74	1.81	−1.14	.67	3.15	3.08	3.74	−.66	1.67	.61
14	5.52	3.98	1.54	−1.11	.43	3.05	2.99	3.98	−.99	1.31	.32
21	5.52	4.28	1.24	−1.17	.07	2.95	2.89	4.28	−1.39	1.21	−.18
28	5.66	4.26	1.40	−.91	.49	3.03	2.97	4.26	−1.29	1.17	−.12

NOTE.—*Treasury bills*: All rates are on the latest issue of 91-day bills. U.S. and Canadian rates are market offer rates 11 a.m. Friday; U.K. rates are Friday opening market offer rates in London.

Premium or discount on forward pound and on forward Canadian dollar: Rates per annum computed on basis of midpoint quotations (between bid and offer) at 11 a.m. Friday in New York for both spot and forward pound sterling and for both spot and forward Canadian dollars.

All series: Based on quotations reported to F.R. Bank of New York by market sources.

For description of series and for back figures, see Oct. 1964 BULLETIN, pp. 1241–60. For description of adjustments to U.K. and Canadian Treasury bill rates, see notes to Table 1, p. 1257, and to Table 2, p. 1260, Oct. 1964 BULLETIN.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars)

End of period	Estimated total world[1]	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Brazil	Burma	Canada	Chile
1964	43,015	2,179	15,471	25,365	6	71	226	600	1,451	92	84	1,026	43
1965	[2]43,230	[3]1,869	13,806	27,285	6	66	223	700	1,558	63	84	1,151	44
1966	43,185	2,652	13,235	27,300	6	84	224	701	1,525	45	84	1,046	45
1967	41,600	2,682	12,065	26,855	155	84	231	701	1,480	45	84	1,015	45
1968	40,905	2,288	10,892	27,725	205	109	257	714	1,524	45	84	863	46
1969	41,015	2,310	11,859	26,845	205	135	263	715	1,520	45	84	872	47
1970—Apr.	....	2,514	11,902	....	205	140	268	712	1,518	45	84	879	48
May	....	2,529	11,900	....	205	140	269	713	1,520	45	84	880	47
June	41,170	2,544	11,889	26,735	205	140	270	714	1,520	45	84	880	48
July	....	2,547	11,934	....	205	140	269	714	1,520	45	84	880	48
Aug.	....	2,652	11,817	....	205	140	269	714	1,518	45	63	880	47
Sept.	41,180	2,825	11,494	26,860	205	140	282	714	1,530	45	63	880	47
Oct.	....	2,902	11,495	....	205	140	283	714	1,528	45	63	880	47
Nov.	....	3,224	11,478	....	205	140	283	714	1,528	45	63	880	47
Dec.	41,285	4,339	11,072	25,875	191	140	239	714	1,470	45	63	791	47
1971—Jan.	....	4,380	11,040	....	191	140	240	714	1,470	45	63	791	47
Feb.	....	4,400	11,039	....	191	140	240	714	1,468	45	42	791	....
Mar.	p41,260	4,404	10,963	p25,895	191	140	239	714	1,466	45	42	791	....
Apr.p	....	4,338	10,925	....	191	....	253	728	1,502	46	42	791	....

End of period	Colombia	Denmark r	Finland	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Ireland	Israel	Italy	Japan
1964	58	92	85	3,729	4,248	77	247	141	112	19	56	2,107	304
1965	35	97	84	4,706	4,410	78	281	146	110	21	56	2,404	328
1966	26	108	45	5,238	4,292	120	243	130	106	23	46	2,414	329
1967	31	107	45	5,234	4,228	130	243	144	115	25	46	2,400	338
1968	31	114	45	3,877	4,539	140	243	158	193	79	46	2,923	356
1969	26	89	45	3,547	4,079	130	243	158	193	39	46	2,956	413
1970—Apr.	27	89	45	3,544	4,079	120	243	158	151	26	46	2,978	469
May	27	89	45	3,541	4,079	120	243	158	151	26	46	2,981	472
June	26	89	45	3,543	4,080	120	243	158	151	26	46	2,982	472
July	26	89	45	3,543	4,080	120	243	158	151	26	46	2,983	473
Aug.	26	89	45	3,537	4,080	120	243	158	151	26	45	2,983	474
Sept.	26	89	45	3,537	4,081	119	243	148	151	26	45	2,983	530
Oct.	26	64	45	3,537	4,081	119	243	148	151	26	45	2,983	530
Nov.	18	64	45	3,533	4,081	117	243	131	144	16	43	2,981	532
Dec.	17	64	29	3,532	3,980	117	243	131	144	16	43	2,887	532
1971—Jan.	17	64	29	3,532	3,979	114	243	131	144	16	43	2,886	532
Feb.	17	64	29	3,531	3,978	99	243	131	144	16	43	2,885	534
Mar.	16	64	29	3,527	3,977	99	243	131	144	16	43	2,884	539
Apr.p	16	64	29	3,527	4,029	....	....	131	143	16	....	2,884	636

End of period	Kuwait	Lebanon	Libya	Malaysia	Mexico	Morocco	Netherlands	Norway	Pakistan	Peru	Philippines	Portugal	Saudi Arabia
1964	48	183	17	7	169	34	1,688	31	53	67	23	523	78
1965	52	182	68	2	158	21	1,756	31	53	67	38	576	73
1966	67	193	68	1	109	21	1,730	18	53	65	44	643	69
1967	136	193	68	31	166	21	1,711	18	53	20	60	699	69
1968	122	288	85	66	165	21	1,697	24	54	20	62	856	119
1969	86	288	85	63	169	21	1,720	25	54	25	45	876	119
1970—Apr.	86	288	85	63	170	21	1,730	27	54	40	49	890	119
May	86	288	85	63	171	21	1,730	27	54	40	50	890	119
June	86	288	85	63	171	21	1,730	27	54	40	50	890	119
July	86	288	85	63	171	21	1,750	27	54	40	53	890	119
Aug.	86	288	85	63	171	21	1,751	27	54	40	54	901	119
Sept.	86	288	85	63	176	21	1,801	34	54	40	56	902	119
Oct.	86	288	85	63	176	21	1,801	33	54	40	59	902	119
Nov.	86	288	85	63	176	21	1,832	23	54	40	59	902	119
Dec.	86	288	85	48	176	21	1,787	23	54	40	56	902	119
1971—Jan.	86	288	85	48	176	21	1,812	23	54	....	58	902	119
Feb.	86	322	85	48	176	21	1,812	23	54	....	59	902	119
Mar.	86	322	85	48	....	21	1,812	23	....	....	60	902	119
Apr.p	86	322	85	....	....	21	1,863	31	....	....	61	....	119

For notes see end of table.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS—Continued

(In millions of dollars)

End of period	South Africa	Spain	Sweden	Switzer-land	Taiwan	Thai-land	Turkey	U.A.R. (Egypt)	United King-dom	Uru-guay	Vene-zuela	Yugo-slavia	Bank for Intl. Settle-ments [4]
1964	574	616	189	2,725	55	104	104	139	2,136	171	401	17	−50
1965	425	810	202	3,042	55	96	116	139	2,265	155	401	19	−558
1966	637	785	203	2,842	62	92	102	93	1,940	146	401	21	−424
1967	583	785	203	3,089	81	92	97	93	1,291	140	401	22	−624
1968	1,243	785	225	2,624	81	92	97	93	1,474	133	403	50	−349
1969	1,115	784	226	2,642	82	92	117	93	1,471	165	403	51	−480
1970—Apr.	992	784	224	2,659	82	92	127	93	....	165	404	51	−519
May	978	784	225	2,659	82	92	127	93	....	165	404	51	−530
June	942	784	225	2,670	82	92	127	93	1,469	165	404	51	516
July	954	784	225	2,670	82	92	127	93	....	165	404	52	−519
Aug.	920	534	225	2,720	82	92	126	93	....	165	404	52	−311
Sept.	921	534	225	2,720	82	92	126	93	1,454	165	404	52	−303
Oct.	879	534	225	2,720	82	92	126	93	....	165	404	52	−308
Nov.	788	534	225	2,720	82	92	126	93	....	161	384	52	−305
Dec.	666	498	200	2,732	82	92	126	85	1,349	162	384	52	−282
1971—Jan.	632	498	200	2,731	82	92	126	85	....	162	384	32	−173
Feb.	632	498	200	2,731	82	82	126	85	....	162	384	32	−173
Mar.	634	498	200	2,806	82	82	127	85	1,123	162	384	32	−73
Apr.[p]	630	498	200	2,806	....	81	127	....	....	....	389	52	13

[1] Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

[2] Adjusted to include gold subscription payments to the IMF made by some member countries in anticipation of increase in Fund quotas, except those matched by gold mitigation deposits with the United States and United Kingdom; adjustment is $270 million.

[3] Excludes gold subscription payments made by some member countries in anticipation of increase in Fund quotas: for most of these countries the increased quotas became effective in Feb. 1966.

[4] Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

NOTE.—For back figures and description of the data in this and the following tables on gold (except production), see "Gold," Section 14 of *Supplement to Banking and Monetary Statistics*, 1962.

GOLD PRODUCTION

(In millions of dollars at $35 per fine troy ounce)

Period	World produc-tion [1]	Africa			North and South America					Asia			Other	
		South Africa	Ghana	Congo (Kin-shasa)	United States	Can-ada	Mex-ico	Nica-ragua	Colom-bia	India	Japan	Philip-pines	Aus-tralia	All other
1964	1,405.0	1,018.9	30.3	7.8	51.4	133.0	7.4	6.9	12.8	5.2	16.1	14.9	33.7	66.6
1965	1,440.0	1,069.4	26.4	2.3	58.6	125.6	7.6	5.4	11.2	4.6	18.1	15.3	30.7	64.8
1966	1,445.0	1,080.8	24.0	5.6	63.1	114.6	7.5	5.2	9.8	4.2	19.4	15.8	32.1	62.9
1967	1,410.0	1,068.7	26.7	5.4	53.4	103.7	5.8	5.2	9.0	3.4	23.7	17.2	28.4	59.4
1968	1,420.0	1,088.0	25.4	5.9	53.9	94.1	6.2	4.9	8.4	4.0	21.5	18.5	27.6	61.6
1969[p]	1,420.0	1,090.7	24.8	6.0	60.1	89.1	6.3	3.7	7.7	3.4	23.7	20.0	24.5	60.0
1970—Mar.	....	94.3	....	....	....	7.1	.6	....	.5	.3	2.1	....	2.6	....
Apr.	....	92.8	....	....	....	6.6	.5	....	.6	.3	1.8	....	1.7	....
May	....	94.5	....	....	....	7.0	....	....	.6	.3	2.2	....	1.7	....
June	....	96.6	1.7	....	....	7.2	....	....	.6	.3	2.0	....	1.7	....
July	....	95.2	2.0	....	....	6.8	....	....	.6	.3	....	....	1.6	....
Aug.	....	96.3	2.2	....	....	6.3	....	....	.7	.3	....	....	1.6	....
Sept.	....	96.2	2.2	....	....	6.6	....	....	.7	.3	....	....	1.6	....
Oct.	....	96.6	....	....	....	6.9	....	....	.6	.3	....	....	....	....
Nov.	....	....	....	....	....	6.5	....	....	.6	.3	....	....	....	....
Dec.	....	....	....	....	....	6.8	....	....	.5	....	....	....	....	....
1971—Jan.	....	....	....	....	....	7.0	....	....	....	....	....	....	....	....
Feb.	....	....	....	....	....	6.6	....	....	....	....	....	....	....	....
Mar.	....	....	....	....	....	6.7	....	....	....	....	....	....	....	....

[1] Estimated; excludes U.S.S.R., other Eastern European countries, China Mainland, and North Korea.

INCOME, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, 1970

(Income, etc. in thousands, and asset and liability items in millions, of dollars)

Item	All insured banks	Insured nonmember banks	All member banks	Reserve city: Total	Reserve city: New York City	Reserve city: City of Chicago	Reserve city: Other	Country
Operating income—Total	**34.565.598**	**6.652.889**	**27.912,709**	**16.795.569**	**5.115,670**	**1.229,997**	**10,449.903**	**11.117,140**
Loans:								
Interest and fees	22,852,957	4,147,202	18,705,755	11,557,260	3,522,705	817,190	7,217,366	7,148.496
Federal funds sold and securities purchased with resale agreement	1,003,667	222,648	781,019	426,056	93,744	31,274	301,038	354,963
Securities—Interest and dividends.[1]								
U.S. Treasury securities	3,067,375	859,205	2,208,170	1,031,323	278,777	81,457	671,089	1,176,847
Other U.S. Govt. securities (agencies and corporations)	685,246	270.577	414,669	121,714	36,273	7,767	77,674	292,955
Obligations of States and political subdivisions	2,615,705	525,437	2.090.268	1,096,087	295,807	79,630	720,651	994,181
All other securities	150,904	32,480	118,424	75,648	26,424	5,650	43,574	42,776
Trust department income	1,132,077	57,454	1,074,623	836,978	336,384	79,220	421,374	237,645
Service charges on deposit accounts	1,172,845	305,284	867,561	398,302	66,141	5,891	326,270	469,260
Other charges, fees, etc.	838,561	157,365	681,195	437,581	105,238	20,012	312,331	243,615
Other operating income:								
On trading account (net)	347,802	1,944	345,858	332,472	159,586	22,986	149,900	13,386
Other	698,460	73,294	625,167	482,149	194,592	78,920	208,637	143,017
Operating expenses—Total	**27.458,142**	**5,265.424**	**22.192.718**	**13.396.430**	**4,050.936**	**960.724**	**8.384.770**	**8.796.289**
Salaries and wages of officers and employees	6,625,658	1,343,627	5,282,031	3,079,929	905,389	180,684	1,993,855	2,202,102
Officer and employee benefits	1,054,511	179,007	875,504	540,596	175,339	37,956	327,301	334,908
Interest paid on:								
Time and savings deposits	10,388,369	2,249,584	8,138,786	4,368,621	995,439	288,472	3,084,710	3,770,165
Federal funds purchased and securities sold with repurchase agreement	1,395,871	30,421	1,365,450	1,234,564	397,947	137,468	699,150	130,886
Other borrowed money	463,223	19,230	443,993	412,717	227,896	34,600	150,221	31,276
Capital notes and debentures	104.085	13,870	90,215	68,361	25.897	2,115	40,348	21,854
Occupancy expense of bank premises, net	1,247,764	235,220	1,012,544	597,079	195,228	40,513	361,338	415,465
Furniture, equipment, etc.	904.756	182,732	722,024	390,883	89,788	21,418	279,677	331,142
Provision for loan losses	694,932	160,648	534,283	310,645	81,685	29,540	199,420	223,639
Other operating expenses	4,578,974	851,086	3,727,889	2,393,037	956,329	187,958	1,248,750	1,334,852
Income before income taxes and securities gains or losses	**7.107.456**	**1.387.465**	**5.719.991**	**3.399.140**	**1.064,734**	**269.273**	**2,065.133**	**2.320.851**
Applicable income taxes	2,172.085	396,711	1,775,373	1,131,798	370,085	91,738	669,975	643,576
Income before securities gains or losses	4,935,372	990,754	3,944,618	2,267,342	694,649	177,535	1,395,159	1,677,275
Net securities gains or losses (−) after taxes	−105,023	2,038	−107,061	−100,531	−55,291	−13,398	−31,840	−6,529
Extraordinary charges (−) or credits after taxes	−13.164	1,740	−14,904	−19,399	2,991	−2,271	−20,117	4,495
Less minority interest in consolidated subsidiaries	244	206	38	−2	....	....	−2	41
Net income	**4,816.939**	**994.326**	**3.822,613**	**2,147,413**	**642,347**	**161.864**	**1.343.202**	**1,675.200**
Cash dividends declared:								
On common stock	2,029,012	281,127	1,747,884	1,156,776	420,439	87,701	648,636	591,108
On preferred stock	6,739	582	6,158	5,273	2,931	....	2,341	885
Memoranda items:								
Income taxes applicable to 1970 operating income	2,172,085	396,711	1,775,373	1,131,798	370,085	91,738	669,975	643,576
Tax effect of:								
Net securities gains or losses (−), etc.	−143,684	−3,559	−140,124	−124,937	−60,324	−15,850	−48,761	−15,186
Transfers—Capital accounts to IRS loan loss reserves[2]	−167,062	−11,774	−155,288	−112,390	−57,719	−6,258	48,413	−42,898
Total provision for income taxes, 1970	*1,861,338*	*381,378*	*1,479,961*	*894,469*	*252,042*	*69,629*	*572,799*	*585,491*
Federal	1,617,589	345,394	1,272,195	742,258	185,294	67,428	489,536	529,937
State and local	243,750	35,984	207,765	152,211	66,747	2,201	83,263	55,554

Memoranda items (cont.):								
Occupancy expense of bank premises, gross	1,546,262	270,693	1,275,570	781,413	231,600	62,454	487,360	494,156
Rental income from bank premises	298,498	35,473	263,025	184,334	36,371	21,941	126,022	78,691
Net security gains or losses (−) before income taxes	−225,588	−964	−224,623	−203,644	−117,114	−26,931	−59,596	−20,978
Extraordinary charges (−) or credits before income tax	−36,284	1,183	−37,466	−41,225	4,488	−4,589	−41,123	3,759
Reserves for losses on loans:[3]								
Balance at beginning of year	*5,965.224*	*866,018*	*5,099,206*	*3,385,851*	*1,248,316*	*290,709*	*1,846,826*	*1,713,355*
Additions due to mergers and absorptions	31,108	2,980	28,128	13,740	5,541		8,200	14,833
Recoveries credited to reserves	254,686	49,403	205,283	103,544	26,373	8,347	68,824	101,294
Transfers to reserves	1,107,772	232,132	875,640	533,964	186,742	43,430	303,791	341,677
Losses charged to reserves	1,224,445	221,572	1.002,873	626,408	209,932	50.462	366.014	376,466
Transfers from reserves	32,671	12,447	20,224	7.114	10	1,210	5,894	13,110
Balance at end of year	*6,101,673*	*916,513*	*5,185,160*	*3,403,578*	*1,257,030*	*290,815*	*1,855,734*	*1,781,582*
Net loan losses (−) or recoveries[4]	−978,051	−176,521	−801,529	−522,863	−183,558	−42,114	−297,189	−278,666
Reserves on securities:								
Balance at beginning of year	*179,232*	*51,024*	*128,208*	*64,603*	*738*	*7,051*	*56,813*	*63,606*
Additions due to mergers and absorptions	680	12	668					668
Recoveries credited to reserves	1,258	499	759	118			118	642
Transfers to reserves	29,436	7,669	21,767	8,442		838	7.604	13,325
Losses charged to reserves	2,875	1,040	1,835	413			413	1,422
Transfers from reserves	25.042	6,411	18,632	11,718	434	923	10,361	6,914
Balance at end of year	*182,688*	*51,753*	*130,935*	*61,031*	*304*	*6,966*	*53,761*	*69,903*
Total net changes in capital accounts	*3,220.477*	*920,302*	*2,300,175*	*994,054*	*176,326*	*66,859*	*750,868*	*1,306,122*
Net income transferred to undivided profits	4,816,939	994,326	3,822,613	2,147,413	642,347	161,864	1,343,202	1,675,200
Common stock sold (net)	127.189	79,151	48,039	1,151		49	1,102	46,888
Preferred stock, capital notes, and debentures sold	199,461	56,469	142.992	95,871	1,958		93,913	47,120
Premium received on new capital stock sold	259,205	129.773	129,432	30,819		85	30,734	98,613
Transfers from loan and securities reserves	57,713	18,858	38,856	18,832	444	2,133	16.255	20,024
Other increases	513,980	99,392	414,587	146,280	31,907	17,528	96,845	268.308
Dividends declared	2,035.751	281,709	1,754,042	1,162,049	423,371	87,701	650,978	591.993
Transfers to loan and securities reserve (net of tax effect)	275.563	67.379	208,184	119,370	47,338	8,470	63,562	88,814
Other decreases	442,695	108,578	334,117	164,893	29,620	18,629	116.643	169,224
Assets, deposits, and capital accounts:								
Loans gross (includes Federal funds sold and resale purchases)	300,536	54,427	246,109	150,398	46,782	10,991	92,625	95,711
U.S. Treasury securities[1]	54,069	14.813	39,256	18,003	4.643	1,362	11,997	21,253
Other U.S. Govt. securities (agencies and corporations)[1]	10,402	4,078	6.324	1,878	528	97	1,253	4,446
Obligations of States and political subdivisions[1]	61,929	12,581	49,348	25,339	6,155	1.830	17,353	24,009
All other securities[1]	2.402	525	1.877	1,144	349	95	699	734
Cast assets	88,894	10.203	78,691	54,652	22,378	2,833	29,441	24,039
Total assets[5]	542.255	99,235	443,020	267,905	87,601	18,703	161.601	175,114
Time and savings deposits	211.074	47,464	163.610	82,993	17.419	5,315	60.259	80,617
Total deposits	448.135	87,414	360,721	207,615	63,394	13,857	130,364	153,106
Total capital accounts plus total reserves	47,239	8,846	38,393	23.248	7,639	1,856	13,752	15.146
Equity capital plus total reserves	45,203	8,611	36,592	21,836	7,113	1,816	12,907	14,756
Number of officers and employees	954,499	209.043	745,456	399,034	101.008	22,085	275,941	346,422
Number of banks	13,502	7,735	5.767	178	12	9	157	5,589

For notes see p. A-101.

INCOME, EXPENSES, AND DIVIDENDS, BY FEDERAL RESERVE DISTRICT

(Income, etc. in thousands, and asset and liability items in millions, of dollars)

Item	Boston	New York	Phila-delphia	Cleve-land	Rich-mond	Atlanta	Chicago	St. Louis	Minne-apolis	Kansas City	Dallas	San Francisco
Operating income—Total	**1,288.607**	**7,110,027**	**1,304.570**	**2,035,605**	**1,438,936**	**1,828,539**	**4,162,979**	**877,377**	**716,760**	**1,139,852**	**1,408,333**	**4,601,124**
Loans:												
Interest and fees	858,631	4,860,057	895,472	1,331,900	971,074	1,167,511	2,724,257	559,906	473,507	726,330	936,572	3,200,541
Fed. funds sold and securities purchased with resale agreement	33,369	139,643	35,470	59,219	39,519	78,396	124,336	31,166	12,588	46,210	61,489	119,615
Securities—Interest and dividends:[1]												
U.S. Treasury securities	84,916	432,120	107,213	209,916	126,690	160,897	405,133	103,563	70,726	120,557	111,654	274,785
Other U.S. Govt. securities (agencies and corporations)	11,128	63,407	18,200	24,352	29,664	41,393	82,132	21,040	17,387	19,774	28,866	57,325
Obligations of States and political subdivisions	94,056	514,758	97,399	200,225	107,683	143,885	325,777	64,422	53,032	80,507	119,648	288,877
All other securities	3,768	34,909	7,136	8,736	3,559	7,142	20,587	3,246	1,501	6,230	5,032	16,581
Trust department income	90,745	389,531	57,592	75,139	40,378	46,351	150,823	20,711	17,017	33,359	36,823	116,155
Service charges on deposit accounts	40,190	148,954	35,609	52,886	56,540	81,803	96,687	26,012	26,357	46,539	48,679	207,307
Other charges, fees, etc.	40,318	134,423	26,242	40,686	32,993	55,530	82,040	19,983	23,309	38,194	31,146	156,332
Other operating income:												
On trading account (net)	6,843	164,079	5,310	4,430	11,729	10,377	32,252	12,082	13,096	6,373	8,556	70,731
Other	24,644	228,147	18,927	28,117	19,107	35,255	118,956	15,248	8,242	15,780	19,868	92,876
Operating expenses—Total	**1,015,797**	**5,631,982**	**1,006,736**	**1,566,560**	**1,114,957**	**1,437,693**	**3,341,872**	**671,683**	**565.207**	**868,854**	**1,093,904**	**3,877,473**
Salaries and wages of officers and employees	290,445	1,306,980	244,543	346,235	308,632	367,187	705,100	159,402	121,564	227,605	244,486	959,852
Officer and employee benefits	49,694	245,892	47,576	50,913	47,269	55,772	119,602	25,091	20,058	30,389	34,168	149,080
Interest paid on:												
Time and savings deposits	262,215	1,651,685	409,795	667,119	402,725	497,607	1,408,600	261,993	250,233	313,755	416,773	1,596,286
Federal funds purchased and securities sold with repurchase agreement	67,545	441,287	51,958	76,003	32,865	64,219	218,668	45,248	30,052	38,480	90,112	209,013
Other borrowed money	19,809	243,130	7,211	9,157	5,890	30,893	60,902	2,313	9,286	6,988	12,961	35,453
Capital notes and debentures	3,866	32,575	5,582	3,492	3,813	4,986	12,238	2,554	1,745	2,484	1,821	15,060
Occupancy expense of bank premises, net	55,912	280,565	46,351	62,579	55,022	60,689	143,927	28,629	19,174	34,956	39,021	185,720
Furniture, equipment, etc.	41,769	140,810	35,040	52,547	46,775	62,858	105,909	26,454	24,345	38,001	42,814	104,702
Provision for loan losses	24,306	114,579	18,136	31,545	23,302	51,439	87,955	18,336	8,693	27,904	41,469	86,622
Other operating expenses	200,237	1,174,479	140,545	266,970	188,665	242,042	478,974	101,663	80,058	148,291	170,280	535,686
Income before income taxes and securities gains or losses	**272.810**	**1,478,045**	**297.834**	**469,046**	**323,979**	**390.846**	**821,107**	**205,695**	**151,553**	**270,999**	**314,428**	**723,650**
Applicable income taxes	94,554	470,429	87,756	118,591	106,163	119,088	255,096	65,767	51,098	89,558	94,126	223,149
Income before securities gains or losses	178,257	1,007,616	210,078	350,455	217,816	271,758	566,011	139,927	100,455	181,441	220,302	500,502
Net securities gains or losses (−) after taxes	−660	−62,998	−3,692	−13,320	−3,326	−1,150	−19,470	261	−1,124	630	80	−2,283
Extraordinary charges (−) or credits after taxes	−268	3,754	620	602	−727	5	−2,361	1,025	839	504	−587	−18,305
Less minority interest in consolidated subsidiaries	...	...	...	...	...	...	18	15	1	4	...	1
Net income	**177.326**	**948.371**	**207,004**	337,736	**213,761**	**270,612**	**544,160**	**141,198**	**100,169**	**182,570**	**219,794**	**479,912**
Cash dividends declared:												
On common stock	87,989	550,484	96,724	136,772	84,959	96,659	219,583	48,186	38,289	80,157	80,181	227,903
On preferred stock	38	2,939	41	362	638	140	1,607	...	25	315	32	22
Memoranda items:												
Income taxes applicable to 1970 operating income	**94.554**	470.429	87.756	**118.591**	**106,163**	**119,088**	255,096	65,767	51,098	89,558	94,126	223,149
Tax effect of:												
Net securities gains or losses (−), etc.	−95	−69,488	−3,648	−13,756	−4,424	−5,065	−20,427	130	−1,006	−1,054	55	−21,337
Transfers—Capital accounts to IRS loan loss reserves[2]	−8,412	−66,530	−6,610	−9,932	−8,006	−9,347	−17,638	−4,885	−3,178	−4,499	−6,479	−9,773
Total provision for income taxes, 1970	*86,046*	*334,410*	*77,497*	*94,902*	*93,732*	*104,675*	*217,029*	*61,012*	*46,913*	*84,005*	*87,702*	*192,037*
Federal	63,886	251,971	76,613	94,866	87,162	101,430	199,486	59,197	37,078	76,284	87,395	136,828
State and local	22,161	82,439	885	35	6,570	3,245	17,543	1,816	9,835	7,720	307	55,209

Memoranda items (cont.):												
Occupancy expense of bank premises, gross	64,831	327,438	53,312	82,873	64,392	88,918	187,240	32,640	27,238	50,806	72,980	222,901
Rental income from bank premises	8,920	46,873	6,961	20,295	9,370	28,229	43,313	4,011	8,064	15,850	33,959	37,181
Net securities gains or losses (−) *before income taxes*	−901	−133,544	−7,543	−27,323	−7,151	−5,765	−37,423	256	−2,029	191	−4	−3,380
Extraordinary charges (−) or credits before income tax	−123	4,811	822	848	−1,327	−446	−4,836	1,159	737	−112	−447	−38,546
Reserves for losses on loans: [3]												
Balance at beginning of year	*216,223*	*1,614,821*	*245,059*	*335,088*	*224,232*	*261,494*	*791,355*	*129,801*	*114,573*	*160,050*	*228,182*	*778,328*
Additions due to mergers and absorptions	851	11,582	4,693	3,049	3,160	34	467	171	165	112		3,844
Recoveries credited to reserves	8,640	38,932	6,494	13,619	8,470	18,642	29,407	6,377	3,169	14,565	19,106	37,862
Transfers to reserves	40,681	238,370	34,423	53,982	39,236	76,917	127,810	36,688	16,019	40,333	62,540	108,642
Losses charged to reserves	44,891	266,377	32,072	62,585	45,524	88,769	139,652	34,813	14,321	49,874	76,313	147,682
Transfers from reserves	477	2,094	1,838	1,414	702	1,475	4,144	4,023	589	577	795	2,097
Balance at end of year	*221,025*	*1,635,235*	*256,759*	*341,741*	*228,871*	*266,843*	*805,244*	*134,202*	*119,016*	*164,609*	*232,718*	*778,898*
Net loan losses (−) or recoveries [4]	−36,289	−227,444	−25,573	−49,348	−37,074	−70,440	110,471	28,513	11,179	−36,444	−58,745	−110,018
Reserves on securities:												
Balance at beginning of year	*2,077*	*5,237*	*1,105*	*36,391*	*6,059*	*10,746*	*21,520*	*14,072*	*1,893*	*2,927*	*22,136*	*4,047*
Additions due to mergers and absorptions		19	8	32				10			600	
Recoveries credited to reserves	171	79	13	12	1	12	78	123	15	46	36	175
Transfers to reserves	283	417	78	4,896	535	2,011	2,130	1,620	401	371	7,588	1,437
Losses charged to reserves	16	258	2	423	16	9	153	75	19	34	665	165
Transfers from reserves	659	1,193	142	6,643	409	828	3,921	2,637	386	43	1,768	3
Balance at end of year	*1,856*	*4,301*	*1,060*	*34,265*	*6,170*	*11,932*	*19,652*	*13,113*	*1,904*	*3,267*	*27,926*	*5,490*
Total net changes in capital accounts	*95,365*	*398,336*	*182,401*	*226,256*	*162,870*	*217,881*	*340,240*	*96,706*	*68,856*	*106,273*	*132,795*	*272,195*
Net income transferred to undivided profits	177,326	948,371	207,004	337,736	213,761	270,612	544,160	141,198	100,169	182,570	219,794	479,912
Common stock sold (net)	1,385	4,232	5,659	4,511	3,781	10,376	5,423	89	1,170	1,770	6,824	2,820
Preferred stock, capital notes, and debentures sold	6,270	7,150	20,000	4,085	26,140	3,838	17,451	2,461	4,935	6,424	37,587	6,650
Premium received on new capital stock sold	2,988	9,365	12,987	9,514	5,602	48,315	8,565	2,744	1,156	2,956	7,416	17,825
Transfers from loan and securities reserves	1,137	3,287	1,980	8,057	1,111	2,303	8,064	6,660	974	620	2,563	2,100
Other increases	11,180	89,777	54,774	41,961	27,463	19,358	49,399	17,848	9,121	20,931	24,749	48,028
Dividends declared	88,027	553,423	96,764	137,134	85,596	96,799	221,190	48,186	38,314	80,471	80,213	227,925
Transfers to loan and securities reserves (net of tax effect)	8,247	57,678	9,755	17,402	8,463	18,142	24,695	15,088	4,548	8,302	22,180	13,684
Other decreases	8,647	52,744	13,484	25,071	20,929	21,979	46,937	11,020	5,806	20,225	63,745	43,530
Assets, deposits, and capital accounts:												
Loans gross (including Federal funds sold and resale purchased agreements)	10,711	64,934	12,158	18,180	12,255	14,713	37,188	7,653	6,265	9,614	12,494	39,943
U.S. Treasury securities [1]	1,457	7,556	1,922	3,708	2,164	2,887	7,182	1,802	1,326	2,126	2,056	5,071
Other U.S. Govt securities (agencies and corporations) [1]	159	989	279	368	440	624	1,217	332	261	298	438	917
Obligations of States and political subdivisions [1]	2,263	11,299	2,484	4,764	2,620	3,358	7,741	1,625	1,283	1,998	2,871	7,042
All other securities [2]	69	481	119	138	71	100	352	64	28	120	91	245
Cash assets	3,184	26,280	3,076	4,645	3,540	5,196	10,139	2,668	1,712	3,471	4,618	10,163
Total assets [5]	18,662	119,230	20,708	32,720	21,865	27,964	66,697	14,661	11,357	18,221	23,575	67,361
Time and savings deposits	5,398	31,620	8,696	14,432	8,517	10,212	28,751	5,350	5,070	6,477	8,065	31,022
Total deposits	14,724	90,384	17,388	27,317	18,655	23,741	55,115	12,492	9,661	15,616	19,720	55,907
Total capital accounts plus total reserves	1,741	10,437	1,903	3,176	1,933	2,470	5,669	1,335	916	1,690	2,059	5,064
Equity capital plus total reserves	1,667	9,783	1,822	3,114	1,857	2,356	5,439	1,283	885	1,643	2,003	4,739
Number of officers and employees	42,520	159,869	37,394	50,976	48,482	56,376	98,833	33,321	16,721	32,825	35,090	133,049
Number of banks	231	351	321	470	361	546	943	459	489	807	634	155

For notes see p. A-101.

INCOME, EXPENSES, AND DIVIDENDS OF RESERVE CITY MEMBER BANKS, BY FEDERAL RESERVE DISTRICT

(Income etc., in thousands, and asset and liability items in millions, of dollars)

Item	Federal Reserve District											
	Boston	New York	Phila-delphia	Cleve-land	Rich-mond	Atlanta	Chicago	St. Louis	Minne-apolis	Kansas City	Dallas	San Francisco
Operating income—Total	503,348	5,328,045	612,780	1,189,223	729,601	696,994	2,226,694	413,654	229,383	389,999	625,406	3,850,443
Loans:												
Interest and fees	324,218	3,679,962	444,427	802,065	501,905	479,018	1,508,426	281,095	159,293	261,448	429,297	2,686,107
Federal funds sold and securities purchased with resale agreement	14,996	94,810	10,878	31,223	16,746	27,102	60,196	15,535	2,890	16,210	31,792	103,680
Securities—Interest and dividends:[1]												
U.S. Treasury securities	32,472	292,717	31,655	91,322	57,760	43,392	159,951	32,408	9,678	25,483	34,572	219,915
Other U.S. Govt. securities (agencies and corps)	4,472	36,882	106	6,598	7,606	3,604	14,490	1,419	581	1,276	2,886	41,793
Obligations of States and political subdivisions	24,479	312,484	34,118	117,219	53,665	42,506	156,834	25,507	12,812	21,916	55,301	239,247
All other securities	1,211	26,737	2,116	5,782	1,667	4,312	9,464	1,345	390	4,541	2,632	15,452
Trust department income	53,243	340,807	37,503	58,539	27,999	24,279	114,575	13,420	12,835	23,790	27,128	102,860
Service charges on deposit accounts	5,969	73,398	16,033	24,653	28,703	23,987	31,613	10,624	3,642	7,550	8,276	163,853
Other charges, fees, etc.	23,801	107,328	17,578	27,191	14,352	21,684	43,655	10,636	10,411	15,644	15,500	129,799
Other operating income:												
On trading account (net)	4,441	161,975	5,310	4,389	8,367	8,369	32,145	11,644	13,095	5,431	8,379	68,927
Other	14,047	200,945	13,054	20,242	10,830	18,742	95,345	10,023	3,757	6,711	9,644	78,810
Operating expenses—Total	397.327	4,227,888	472,658	902,391	560,069	547,098	1.777.737	314,714	170.475	298,028	475.432	3,252,616
Salaries and wages of officers and employees	106,501	943,396	118,930	192,978	159,867	139,528	351,107	72,731	36,670	77,216	91,273	789,731
Officer and employee benefits	17,051	181,701	27,482	28,510	25,641	24,159	66,173	13,063	6,236	10,728	14,301	125,553
Interest paid on:												
Time and savings deposits	68,319	1,068,482	150,347	357,942	181,534	150,613	640,136	99,378	47,241	83,431	168,947	1,352,252
Federal funds purchased and securities sold with repurchase agreement	51,714	408,829	49,854	70,900	25,258	45,983	202,985	43,011	26,581	30,074	80,963	198,413
Other borrowed money	14,380	237,603	6,614	8,343	4,258	28,598	55,307	1,596	8,660	4,179	11,479	31,700
Capital notes and debentures	1,977	26,723	4,594	2,622	3,363	3,113	8,826	2,105	695	1,383	871	12,090
Occupancy expense of bank premises, net	18,700	203,193	22,659	34,958	29,973	22,482	75,994	12,986	4,644	10,087	9,530	151,873
Furniture, equipment, etc.	14,938	93,545	16,592	27,688	24,863	24,962	50,717	12,434	10,250	15,366	18,703	80,826
Provision for loan losses	8,793	85,874	10,764	16,994	10,127	20,989	54,360	8,905	2,532	9,569	11,802	69,937
Other operating expenses	94,955	978,543	64,824	161,456	95,185	86,672	272,132	48,505	26,967	55,996	67,563	440,240
Income before income taxes and securities gains or losses	106.022	1,100,158	140.121	286,832	169.532	149.897	448.958	98,941	58.908	91.971	149.974	597,827
Applicable income taxes	42,870	379,994	46,514	74,183	58,876	52,121	153,069	35,417	24,635	32,847	47,686	183,586
Income before securities gains or losses	63,152	720,164	93,608	212,649	110,656	97,776	295,889	63,523	34,273	59,124	102,289	414,241
Net securities gains or losses (–) after taxes	–1	–55,417	–2,363	–13,455	–1,070	–1,234	–22,061	–1,179	–643	–77	102	–3,124
Extraordinary charges (–) or credits after taxes	–2	2,960	....	369	–293	–674	–2,271	956	....	–224	–513	–19,700
Less minority interest in consolidated subsidiaries	....	....	....	....	....	....	....	–2	....	....	....	....
Net income	63.147	667,706	91.244	199.562	109,291	95,867	271.554	63,302	33,629	58.821	101,877	391,415
Cash dividends declared:												
On common stock	30,735	435,563	48,664	91,345	45,916	44,720	135,310	26,300	14,875	41,011	43,695	198,643
On preferred stock	....	2,931	....	....	638	140	1,539	....	....	....	25	....
Memoranda items:												
Income taxes applicable to 1970 operating income	42,870	379,994	46,514	74,183	58,876	52,121	153,069	35,417	24,635	32,847	47,686	183,586
Tax effect of:												
Net securities gains or losses (–), etc.	569	–60,387	–2,232	–13,041	–1,783	–3,977	–20,517	–407	–615	–451	–121	–21,967
Transfers—Capital accounts to IRS loan loss reserve[2]	–3,553	–57,792	–4,712	–7,043	–4,199	–5,220	–10,517	–3,855	–1,388	–3,684	–4,103	–6,324
Total provision for income taxes, 1970	*39,885*	*261,813*	*39,570*	*54,099*	*52,894*	*42,923*	*122,034*	*31,154*	*22,631*	*28,711*	*43,461*	*155,294*
Federal	30,362	192,919	39,495	54,099	47,974	41,925	112,719	30,377	17,735	26,029	43,461	105,165
State and local	9,523	68,894	74	....	4,920	998	9,315	778	4,897	2,683	....	50,130

Memoranda Items (cont.):												
Occupancy expense of bank premises, gross	22,108	243,196	26,778	49,804	34,359	39,849	103,715	15,262	9,580	20,352	33,152	183,259
Rental income from bank premises	3,408	40,003	4,119	14,846	4,387	17,367	27,722	2,275	4,937	10,264	23,622	31,386
Net securities gains or losses (−) before income taxes	570	−117,317	−4,595	−26,626	−2,473	4,618	−40,261	−1,668	−1,259	−488	−28	−4,872
Extraordinary charges (−) or credits before income taxes	−5	4,472		498	−674	−1,267	−4,589	1,036		−265	−503	−39,920
Reserves for losses on loans:[3]												
Balance at beginning of year	*88,684*	*1,303,038*	*127,489*	*213,557*	*120,947*	*109,242*	*470,226*	*65,846*	*36,656*	*64,239*	*109,356*	*676,572*
Additions due to mergers and absorptions		5,541	744	1,764	1,935						445	3,313
Recoveries credited to reserves	2,009	28,229	2,981	6,192	2,710	6,018	13,360	2,889	393	4,693	5,169	28,903
Transfers to reserves	15,404	191,080	21,028	31,560	18,403	33,176	77,046	21,817	4,853	16,901	20,789	81,908
Losses charged to reserves	16,176	216,124	19,878	38,400	22,755	41,808	83,894	20,569	3,674	21,452	26,104	115,573
Transfers from reserves		10	1,229	180	454	60	1,322	3,363				496
Balance at end of year	*89,922*	*1,311,753*	*131,134*	*214,492*	*120,785*	*106,569*	*475,416*	*66,620*	*38,227*	*64,380*	*109,655*	*674,626*
Net loan losses (−) or recoveries[4]	−14,165	−187,894	−16,896	−32,207	−20,045	35,789	−70,533	−17,679	−3,281	−16,758	−20,934	−86,669
Reserves on securities:												
Balance at beginning of year	*486*	*1,294*		*28,112*	*791*	*3,819*	*8,257*	*9,827*		*171*	*11,220*	*626*
Additions due to mergers and absorptions												
Recoveries credited to reserves												118
Transfers to reserves				3,642	14	379	838	653			2,876	40
Losses charged to reserves				248								165
Transfers from reserves	458	925		5,648		19	2,043	2,507		3	113	1
Balance at end of year	*29*	*369*		*25,858*	*805*	*4,179*	*7,051*	*7,973*		*168*	*13,983*	*617*
Total net changes in capital accounts	*28,660*	*186,527*	*63,032*	*111,917*	*84,273*	*70,998*	*127,457*	*40,045*	*20,816*	*14,616*	*48,247*	*197,467*
Net income transferred to undivided profits	63,147	667,706	91,244	199,562	109,291	95,867	271,554	63,302	33,629	58,821	101,877	391,415
Common stock sold (net)				118	540	197	54	104	18		121	
Preferred stock, capital notes, and debentures sold		1,958	20,000	2,916	25,000		6,200	446	1,333	3,000	35,019	
Premium received on new capital stock sold				519	461	26,621	244	384	18		260	2,314
Transfers from loan and securities reserves	458	935	1,229	5,828	454	79	3,365	5,870		3	113	497
Other increases	251	31,907	7,443	21,405	10,867	4,985	19,751	7,241	1,755	2,403	2,963	35,310
Dividends declared	30,735	438,494	48,664	91,345	46,554	44,860	136,849	26,300	14,875	41,011	43,720	198,643
Transfers to loan and securities reserves (net of tax effect)	3,058	47,414	5,553	11,165	4,091	7,346	13,006	9,709	933	3,648	7,761	5,686
Other decreases	1,402	30,071	2,667	15,920	11,695	4,544	23,856	1,292	128	4,952	40,626	27,740
Assets, deposits, and capital accounts:												
Loans gross (includes Federal funds sold and resale purchases)	3,857	48,741	5,771	10,651	6,137	5,755	20,591	3,772	2,042	3,495	5,982	33,605
U.S. Treasury securities[1]	553	4,875	552	1,588	947	797	2,754	551	186	454	681	4,063
Other U.S. Govt. securities (agencies and corps)[1]	61	538	6	113	105	54	213	28	13	21	54	671
Obligations of States and political subdivisions[1]	622	6,581	877	2,739	1,293	961	3,654	644	292	552	1,273	5,850
All other securities[1]	24	356	35	90	31	52	162	32	8	90	43	221
Cash assets	1,435	22,763	1,770	2,946	2,078	2,312	6,294	1,531	775	1,562	2,366	8,820
Total assets[5]	7,013	90,788	9,420	18,738	11,003	10,441	35,763	6,892	3,615	6,460	11,018	56,753
Time and savings deposits	1,216	18,853	2,913	7,288	3,766	3,024	12,397	1,908	902	1,692	3,103	25,932
Total deposits	4,927	65,858	7,510	15,022	9,257	8,420	27,669	5,576	2,783	5,296	8,630	46,666
Total capital accounts plus total reserves	663	7,924	861	1,923	982	982	3,158	646	301	616	969	4,222
Equity capital plus total reserves	623	7,380	793	1,876	915	902	2,983	603	289	584	929	3,957
Number of officers and employees	13,401	106,796	16,491	25,910	23,967	20,168	45,760	11,342	3,934	10,736	11,702	108,827
Number of banks	5	15	6	16	15	20	24	15	8	18	17	19

For numbered notes see p. A-101.

INCOME, EXPENSES, AND DIVIDENDS OF COUNTRY MEMBER BANKS, BY FEDERAL RESERVE DISTRICT

(Income, etc. in thousands, and asset and liability items in millions, of dollars)

Item	Boston	New York	Phila-delphia	Cleve-land	Rich-mond	Atlanta	Chicago	St. Louis	Minne-apolis	Kansas City	Dallas	San Francisco
Operating income—Total	**785,259**	**1,781.982**	**691.790**	**846.383**	**709.335**	**1.131.545**	**1.936.285**	**463.723**	**487.377**	**749.854**	**782.926**	**750.681**
Loans:												
Interest and fees	534,413	1,180,094	451,045	529,835	469.169	688,493	1,215,832	278,811	314,214	464,882	507,275	514,434
Federal funds sold and securities purchased with resale agreement	18,373	44,833	24.592	27.996	22.774	51.294	64,141	15.632	9,698	30,000	29,697	15,936
Securities—Interest and dividends:[1]												
U.S. Treasury securities	52,444	139,403	75,558	118,595	68,930	117,505	245,182	71,156	61,048	95,075	77,083	54,870
Other U.S. Govt. securities (agencies and corps)	6,656	26,526	18,094	17.754	22,058	37,789	67,642	19,621	16,806	18,498	25,980	15,531
Obligations of States and political subdivisions	69,577	202,275	63,281	83,006	54,018	101,379	168,944	38,915	40,220	58,591	64,347	49,629
All other securities	2,556	8,171	5,019	2,955	1,892	2,830	11,122	1,901	1,112	1,689	2,400	1,129
Trust department income	37,502	48,723	20,089	16,599	12,378	22,072	36,249	7,291	4,183	9,569	9,695	13,295
Service charges on deposit accounts	34,221	75,555	19,576	28,233	27,837	57,816	65,073	15,388	22,715	38,988	40,403	43,454
Other charges, fees, etc.	16,517	27,095	8,664	13.495	18.640	33.846	38.385	9,347	12,897	22,550	15,646	26,533
Other operating income:												
On trading account (net)	2,402	2,104	...	41	3,362	2,008	107	438	1	942	178	1,804
Other	10,597	27,203	5,873	7,875	8,278	16.513	23,611	5,225	4,484	9,069	10,224	14,066
Operating expenses—Total	**618,470**	**1,404,094**	**534.078**	**664.169**	**554.888**	**890.595**	**1.564.136**	**356.969**	**394.732**	**570.826**	**618.472**	**624.858**
Salaries and wages of officers and employees	183,943	363,584	125,614	153,257	148,765	227,660	353,993	86,671	84,894	150,389	153,213	170,120
Officer and employee benefits	32,643	64,192	20,094	22.403	21.628	31,614	53.429	12,028	13,822	19,662	19,867	23.527
Interest paid on:												
Time and savings deposits	193,896	583,203	259.449	309.177	221.191	346,994	768.464	162,615	202,991	230,325	247,826	244,034
Federal funds purchased and securities sold with repurchase agreement	15,831	32,456	2,104	5,103	7.607	18,236	15.683	2,237	3,472	8.406	9,150	10,600
Other borrowed money	5,429	5.527	597	814	1,632	2.296	5.594	718	626	2,809	1,482	3,753
Capital notes and debentures	1,889	5,852	988	870	450	1.873	3.412	450	1.050	1,102	950	2,970
Occupancy expense of bank premises, net	37,212	77,373	23,692	27.620	25.049	38.207	67.933	15,643	14,530	24.869	29.491	33.847
Furniture, equipment, etc.	26.832	47,266	18,448	24,860	21,912	37,896	55,191	14,020	14,095	22,635	24,111	23,877
Provision for loan losses	15,513	28,705	7,372	14,551	13,175	30,449	33,594	9,430	6,161	18,336	29,667	16,684
Other operating expenses	105,282	195,937	75,721	105,514	93,480	155,371	206,842	53,157	53.091	92.295	102.717	95,446
Income before income taxes and securities gains or losses	**166.789**	**377,888**	**157.712**	**182,214**	**154.447**	**240.949**	**372,149**	**106,754**	**92.645**	**179,027**	**164,454**	**125.824**
Applicable income taxes	51,684	90,436	41,242	44,407	47,287	66,967	102,027	30,350	26,463	56,710	46,441	39,562
Income before securities gains or losses	115,105	287,452	116,470	137.806	107,160	173,982	270,122	76,404	66,182	122,317	118,013	86,261
Net securities gains or losses (−) after taxes	−658	−7,580	−1,329	135	−2,255	83	2,591	1.441	−480	708	−21	841
Extraordinary charges (−) or credits after taxes	−265	794	620	233	−433	679	−89	69	840	729	−73	1,396
Less minority interest in consolidated subsidiaries	.....	.....	.....	.....	.....	.....	18	18	1	4	.....	1
Net income	**114,180**	**280.665**	**115.760**	**138.175**	**104.471**	**174.745**	**272.606**	**77,896**	**66.540**	**123.750**	**117,917**	**88.497**
Cash dividends declared:												
On common stock	57,254	114,921	48,060	45,427	39,042	51,939	84,273	21,886	23,414	39,146	36,486	29,261
On preferred stock	38	8	41	362	.....	.....	68	.....	25	315	8	22
Memoranda items:												
Income taxes applicable to 1970 operating income	51,684	90,436	41,242	44.407	47,287	66,967	102,027	30,350	26,463	56,710	46,441	39,562
Tax effect of:												
Net securities gains or losses ( ), etc.	−663	−9,100	−1,415	−714	−2,640	−1,087	90	537	−391	−602	177	630
Transfers—Capital accounts to IRS loan loss reserves[2]	−4,858	−8,738	−1,898	2,589	−3,807	4,127	7,121	−1,029	1,790	−814	−2,376	−3,450
Total provision for income taxes, 1970	*46,161*	*72,597*	*37,928*	*40,803*	*40,838*	*61,752*	*94,996*	*29,858*	*24,282*	*55,293*	*44,241*	*36,742*
Federal	33,523	59,053	37,118	40,768	39,188	59,505	86,767	28,820	19,343	50,256	43,934	31,663
State and local	12,638	13,545	810	35	1,650	2,247	8,228	1,038	4,939	5,038	307	5,080

Memoranda items (cont.):												
Occupancy expense of bank premises, gross	42,723	84,242	26,534	33,069	30,033	49,070	83,525	17,379	17,657	30,454	39,828	39,642
Rental income from bank premises	5,512	6,870	2,843	5,449	4,983	10,863	15,592	1,736	3,127	5,585	10,338	5,795
Net securities gains or losses (−) before income taxes	−1,471	−16,226	−2,947	−696	−4,677	−1,146	2,839	1,925	−769	680	24	1,492
Extraordinary charges (−) or credits before income tax	−116	339	822	350	−651	822	−247	122	737	153	56	1,374
Reserves for losses on loans:[3]												
Balance at beginning of year	*127,539*	*311,783*	*117,570*	*121,532*	*103,284*	*152,252*	*321,130*	*63,955*	*77,917*	*95,812*	*118,825*	*101,757*
Additions due to mergers and absorptions	851	6,042	3,949	1,286	1,225	34	467	171	165	112		531
Recoveries credited to reserves	6,631	10,704	3,513	7,427	5,760	12,624	16,047	3,489	2,776	9,872	13,492	8,959
Transfers to reserves	25,277	47,290	13,395	22,423	20,833	43,741	50,763	14,872	11,166	23,432	41,751	26,734
Losses charged to reserves	28,716	50,253	12,193	24,185	22,769	46,961	55,758	14,245	10,647	28,422	50,209	32,109
Transfers from reserves	477	2,084	609	1,234	248	1,416	2,822	660	589	577	795	1,601
Balance at end of year	*131,104*	*323,482*	*125,625*	*127,249*	*108,086*	*160,274*	*329,828*	*67,582*	*80,789*	*100,229*	*123,063*	*104,272*
Net loan losses (−) or recoveries[4]	−22,123	39,549	−8,675	17,140	17,028	34,650	39,937	−10,833	7,898	−19,684	−37,810	−23,348
Reserves on securities:												
Balance at beginning of year	*1,591*	*3,943*	*1,105*	*8,279*	*5,267*	*6,927*	*13,263*	*4,245*	*1,893*	*2,756*	*10,915*	*3,421*
Additions due to mergers and absorptions		19	8	32				10			600	
Recoveries credited to reserves	171	79	13	12	1	12	78	123	15	46	36	57
Transfers to reserves	283	417	78	1,254	522	1,631	1,292	967	401	371	4,712	1,398
Losses charged to reserves	16	258	2	175	16	9	153	75	19	34	665	
Transfers from reserves	202	268	142	995	409	809	1,878	130	386	40	1,655	2
Balance at end of year	*1,827*	*3,932*	*1,060*	*8,407*	*5,365*	*7,753*	*12,601*	*5,140*	*1,904*	*3,100*	*13,942*	*4,873*
Total net changes in capital accounts	*66,705*	*211,809*	*119,369*	*114,339*	*78,597*	*146,883*	*212,783*	*56,662*	*48,041*	*91,657*	*84,548*	*74,729*
Net income transferred to undivided profits	114,180	280,665	115,760	138,175	104,471	174,745	272,606	77,896	66,540	123,750	117,917	88,497
Common stock sold (net)	1,385	4,232	5,659	4,394	3,241	10,178	5,369	−13	1,153	1,770	6,703	2,820
Preferred stock, capital notes, and debentures sold	6,270	5,192		1,169	1,140	3,838	11,251	2,015	3,603	3,424	2,568	6,650
Premium received on new capital stock sold	2,988	9,365	12,987	8,995	5,142	21,694	8,321	2,360	1,138	2,956	7,156	15,511
Transfers from loan and securities reserves	679	2,352	751	2,228	657	2,224	4,700	790	974	617	2,450	1,603
Other increases	10,929	57,870	47,331	20,555	16,596	14,373	29,649	10,607	7,366	18,528	21,786	12,718
Dividends declared	57,292	114,928	48,100	45,789	39,042	51,939	84,341	21,886	23,440	39,461	36,493	29,283
Transfers to loan and security reserves (net of tax effect)	5,189	10,264	4,203	6,237	4,373	10,796	11,689	5,378	3,615	4,654	14,419	7,998
Other decreases	7,245	22,673	10,816	9,150	9,235	17,435	23,081	9,728	5,678	15,273	23,119	15,790
Assets, deposits, and capital accounts:												
Loans gross (including Federal funds sold and resale purchases)	6,853	16,193	6,387	7,529	6,119	8,958	16,596	3,882	4,223	6,119	6,513	6,339
U.S. Treasury securities[1]	904	2,681	1,370	2,120	1,217	2,090	4,429	1,251	1,140	1,671	1,375	1,008
Other U.S. Govt securities (agencies and corps)[1]	98	451	273	255	335	570	1,004	304	248	277	384	246
Obligations of States and political subdivisions[1]	1,641	4,718	1,606	2,026	1,327	2,397	4,087	981	991	1,446	1,597	1,193
All other securities[1]	45	125	84	48	40	47	190	32	20	29	48	25
Cash assets	1,749	3,517	1,306	1,699	1,462	2,884	3,845	1,137	937	1,909	2,252	1,344
Total assets[5]	11,650	28,442	11,287	13,982	10,861	17,523	30,934	7,769	7,742	11,761	12,557	10,607
Time and savings deposits	4,182	12,767	5,783	7,144	4,751	7,188	16,354	3,442	4,168	4,785	4,963	5,090
Total deposits	9,797	24,526	9,878	12,295	9,398	15,322	27,446	6,916	6,878	10,320	11,090	9,240
Total capital accounts plus total reserves	1,078	2,514	1,041	1,254	950	1,488	2,511	689	614	1,074	1,091	842
Equity capital plus total reserves	1,044	2,403	1,029	1,238	942	1,454	2,456	680	596	1,059	1,074	782
Number of officers and employees	29,119	53,073	20,903	25,066	24,515	36,208	53,073	21,979	12,787	22,089	23,388	24,222
Number of banks	226	336	315	454	346	526	919	444	481	789	617	136

[1] Excluding trading account securities.

[2] Prior to 1969 transfers to IRS reserve for bad debt losses on loans were deducted from operating income; beginning in 1969, within prescribed limits, banks may deduct all or part of the transfers to this reserve from income and treat the balance, if any, as a transfer from capital accounts. (These transfers are exempt from Federal income taxes.)

[3] Includes reserve for bad debt losses and other reserves on loans.

[4] Sum of the expense item "provision for loan losses" for banks not on a reserve accounting method and the excess of losses charged against reserve for losses on loans over recoveries credited to these reserves for banks on a reserve accounting method.

[5] Including trading account securities.

NOTE.—Figures exclude one member bank located outside the continental United States. Balance sheet figures shown were obtained by averaging the amounts shown in each bank's official condition reports submitted for December 31, 1969, June 30 and December 31, 1970. Savings deposits are included in the time deposit figures used in this table. The number of officers and employees is as of the end of year. Cash assets comprise cash, balances with other banks (including reserve balances), and cash items in process of collection. Equity capital and reserves include common and preferred stock, surplus, undivided profits plus reserves for contingencies, other capital reserves, and reserves on loans and securities. Total capital accounts include equity capital and capital notes and debentures. Details may not add to totals because of rounding.

INCOME, EXPENSES, AND DIVIDENDS, BY SIZE OF BANK

(Amounts in thousands of dollars)

Item	Total [1]	Size group—Total deposits (in thousands of dollars): Less than 2,000	2,000–5,000	5,000–10,000	10,000–25,000	25,000–50,000	50,000–100,000	100,000–500,000	500,000–or more
Operating income—Total	**27,906,437**	**32,066**	**196,079**	**687,379**	**1,848,123**	**1,801,784**	**1,716,143**	**5,250,063**	**16,374,801**
Loans:									
Interest and fees	18,702,956	8,196	111,947	409,597	1,132,239	1,134,316	1,100,839	3,468,149	11,337,674
Federal funds sold and securities purchased with resale agreement	780,353	784	9,692	31,955	81,124	66,431	55,242	161,826	373,300
Securities—Interest and dividends:[2]									
U.S. Treasury securities	2,206,608	3,938	39,238	108,720	249,433	197,825	183,133	438,336	985,987
Other U.S. Govt. securities (agencies and corporations)	414,103	658	11,055	32,043	67,811	63,102	45,908	75,538	117,989
Obligations of States and political subdivisions	2,090,262	375	9,439	49,086	160,741	164,603	155,032	441,020	1,109,967
All other securities	118,338	107	984	2,760	7,356	7,399	6,808	21,551	71,373
Trust department income	1,074,623	16,791	188	904	8,429	25,316	36,706	202,964	783,325
Service charges on deposit accounts	867,305	599	7,953	32,976	89,057	84,323	68,990	189,838	393,570
Other charges, fees, etc.	681,094	297	3,529	12,601	33,149	37,595	40,244	149,785	403,894
Other operating income:									
On trading account (net)	345,858	....	....	1	88	67	584	18,425	326,693
Other	624,937	321	2,055	6,736	18,696	20,808	22,656	82,633	471,031
Operating expenses—Total	**22,184,720**	**22,573**	**154,008**	**543,449**	**1,463,857**	**1,431,789**	**1,369,245**	**4,138,321**	**13,061,478**
Salaries and wages of officers and employees	5,279,546	11,356	45,461	142,011	352,111	347,902	330,827	1,058,203	2,991,675
Officer and employee benefits	875,289	1,304	4,330	16,620	46,862	51,177	49,332	171,085	534,579
Interest paid on:									
Time and savings deposits	8,187,539	3,268	63,404	238,524	670,744	638,060	608,071	1,577,213	4,388,256
Federal funds purchased and securities sold with repurchase agreement	1,365,386	....	58	726	4,251	8,019	17,931	175,289	1,159,111
Other borrowed money	443,972	8	239	779	2,426	3,234	3,268	26,652	407,366
Capital notes and debentures	90,215	2	38	204	1,449	2,862	3,413	14,558	67,689
Occupancy expense of bank premises, net	1,011,971	1,014	5,930	21,692	63,552	65,269	64,520	201,762	588,232
Furniture, equipment, etc.	721,716	502	4,568	17,335	48,881	52,843	52,763	180,760	364,065
Provision for loan losses	534,062	505	5,291	19,216	43,443	35,243	31,699	101,831	296,834
Other operating expenses	3,675,024	4,616	24,689	86,343	230,138	227,179	207,421	630,969	2,263,671
Income before income taxes and securities gains or losses	**5,721,718**	**9,493**	**42,072**	**143,929**	**384,266**	**369,996**	**346,898**	**1,111,742**	**3,313,323**
Applicable income taxes	1,775,526	4,146	11,376	39,813	105,692	100,745	94,729	330,833	1,088,193
Income before securities gains or losses	3,946,192	5,346	30,696	104,116	278,574	269,251	252,169	780,909	2,225,130
Net securities gains or losses (−) after taxes	−107,100	−33	2	616	−25	−504	2,782	−8,379	−101,555
Extraordinary charges (−) or credits after taxes	−14,813	−23	−4	318	148	1,270	2,700	278	−19,498
Less minority interest in consolidated subsidiaries	38	....	1	1	38	....	....	1	−2
Net income	**3,824,238**	**5,288**	**30,692**	**105,049**	**278,658**	**270,017**	**257,651**	**772,806**	**2,104,078**
Cash dividends declared:									
On common stock	1,747,883	3,606	8,511	28,428	80,756	84,867	86,038	317,076	1,138,600
On preferred stock	6,158	....	....	72	103	91	277	507	5,108
Memoranda items:									
Income taxes applicable to 1970 operating income	1,775,526	4,146	11,376	39,813	105,692	100,745	94,729	330,833	1,088,193
Tax effect of:									
Net securities gains or losses (−), etc.	−140,141	−42	26	−47	−1,453	−2,110	−33	−10,661	−125,815
Transfers—Capital accounts to IRS loan loss reserves [3]	−155,278	216	256	−685	−5,782	−6,357	−6,019	−23,683	−113,224
Total provision for income taxes, 1970	*1,480,106*	*4,320*	*11,658*	*39,080*	*98,456*	*92,276*	*88,675*	*296,488*	*849,153*
Federal	1,272,344	3,637	10,854	36,205	90,615	85,051	81,842	270,831	693,311
State and local	207,762	683	805	2,876	7,841	7,225	6,833	25,658	155,842

Memoranda items (cont.):										
Occupancy expense of bank premises, gross	1,274,983	1,053	6,358	23,510	69,702	75,801	79,634	263,816	755,110
Rental income from bank premises	263,012	39	428	1,818	6,150	10,532	15,113	62,054	166,878
Net securities gains or losses (–) before income taxes	–224,665	–74	51	543	–1,515	–2,287	2,837	–18,678	–205,537
Extraordinary charges (–) or credits before income tax	–37,391	–24	–27	343	185	942	2,610	–84	–41,332
Reserves for losses on loans:[4]									
Balance at beginning of year	*5,099,206*	*703*	*16,550*	*73,179*	*241,107*	*270,661*	*276,065*	*901,614*	*3,319,329*
Additions due to mergers and absorptions	28,399		109			470	2,838	11,012	13,970
Recoveries credited to reserves	205,013	148	2,249	9,141	20,962	17,714	16,092	41,209	97,499
Transfers to reserves	875,301	375	6,798	25,621	63,285	54,944	46,035	160,872	517,372
Losses charged to reserves	1,002,783	396	7,233	26,885	67,805	58,801	55,096	186,965	599,603
Transfers from reserves	20,224	2	350	974	2,155	2,578	2,591	3,624	7,951
Balance at end of year	*5,184,912*	*829*	*18,122*	*80,080*	*255,393*	*282,410*	*283,343*	*924,119*	*3,340,615*
Net loan losses (–) or recoveries [5]	–801,400	–702	–5,693	–19,144	–47,412	–41,583	–39,003	–145,754	–502,103
Reserves on securities:									
Balance at beginning of year	*128,208*	*10*	*1,008*	*4,532*	*9,443*	*15,167*	*9,592*	*39,674*	*48,783*
Additions due to mergers and absorptions	663	5			11	632		7	8
Recoveries credited to reserves	750	1	3	33	111	150	145	307	1
Transfers to reserves	21,772		108	491	1,925	3,001	1,722	7,776	6,749
Losses charged to reserves	1,835		19	51	123	677	406	312	248
Transfers from reserves	18,632	6	203	45	523	1,368	1,233	6,259	8,995
Balance at end of year	*130,925*	*10*	*898*	*4,960*	*10,844*	*16,903*	*9,821*	*41,193*	*46,297*
Total net changes in capital accounts	*2,275,449*	*1,725*	*21,473*	*80,689*	*222,234*	*214,328*	*214,477*	*534,129*	*986,395*
Net income transferred to undivided profits	3,824,238	5,288	30,692	105,049	278,658	270,017	257,651	772,806	2,104,078
Common stock sold (net)	38,352	38	632	3,732	10,697	5,942	4,171	10,500	2,641
Preferred stock, capital notes, and debentures sold	143,140			1,454	6,754	9,235	11,496	24,093	90,108
Premium received on new capital stock sold	119,250	160	1,584	4,778	22,027	14,230	10,252	21,121	45,100
Transfers from loan and securities reserves	38,856	8	553	1,019	2,677	3,947	3,823	9,883	16,947
Other increases	407,383	408	3,061	14,333	33,780	53,045	36,746	117,633	148,377
Dividends declared	1,754,041	3,606	8,511	28,499	80,859	84,958	86,315	317,584	1,143,708
Transfers to loan and securities reserves (net of tax effect)	208,077	87	1,871	6,554	15,984	16,344	10,038	43,135	114,063
Other decreases	333,653	483	4,666	14,624	35,516	40,784	13,308	61,189	163,083
Assets, deposits, and capital accounts:									
Loans gross (includes Federal funds sold and resale purchases)	254,406,477	119,196	1,635,136	5,922,844	16,264,947	16,030,616	15,443,371	47,467,218	151,523,149
U.S. Treasury securities[2]	42,668,533	68,962	713,310	2,019,003	4,766,417	3,716,557	3,502,846	8,485,273	19,396,165
Other U.S. Govt. securities (agencies and corporations)[2]	7,877,172	10,545	170,307	522,245	1,098,370	1,069,196	818,616	1,569,655	2,618,238
Obligations of States and political subdivisions [2]	53,700,049	10,609	251,546	1,287,773	4,168,291	4,198,410	4,025,717	11,778,949	27,978,754
All other securities[2]	2,105,300	2,123	19,883	60,723	151,129	147,185	139,769	421,572	1,162,916
Cash assets	81,471,552	45,092	474,953	1,559,634	4,046,195	3,981,510	3,999,433	14,889,469	52,475,266
Total assets [6]	466,009,414	261,468	3,317,142	11,598,376	31,204,441	30,009,042	28,786,731	87,570,557	273,261,657
Time and savings deposits	181,457,784	80,820	1,515,044	5,599,383	15,506,330	14,592,509	13,764,583	36,177,346	94,221,769
Total deposits	385,013,616	214,325	2,941,090	10,358,929	27,835,497	26,520,061	25,310,778	75,101,987	216,730,949
Total capital accounts plus total reserves	39,374,220	41,570	329,070	1,032,775	2,635,459	2,506,453	2,410,063	7,428,690	22,990,140
Equity capital plus total reserves	37,552,371	41,546	328,565	1,028,818	2,609,200	2,456,877	2,350,390	7,166,040	21,570,935
Number of officers and employees	744,897	1,507	7,089	22,009	63,810	54,857	51,379	156,537	387,709
Number of banks	5,719	143	816	1,400	1,768	763	366	348	115

[1] Total is for banks operating during the entire year, except that one bank located outside the continental United States is excluded.
[2] Excluding trading account securities.
[3] Prior to 1969 all transfers to IRS reserve for bad debt losses on loans were deducted from income; beginning in 1969 within prescribed limits, banks may deduct all or part of the transfers to this reserve from income and treat the balance, if any, as a transfer from capital accounts. (These transfers are exempt from Federal income taxes.)
[4] Includes reserve for bad debt losses and other reserves on loans.
[5] Net losses on loans is the excess of losses charged against reserve for losses on loans over recoveries credited to these reserves for banks on the reserve accounting method.
[6] Including trading account securities.

NOTE.—The figures for assets, deposits, capital accounts, number of officers and employees, and number of banks are as of the end of the year.

Details may not add to totals because of rounding.

INCOME RATIOS BY CLASS OF MEMBER BANK, AND FOR ALL MEMBER BANKS, BY FEDERAL RESERVE DISTRICT

(Computed from aggregate dollar amounts; ratios expressed as percentages)

Item	Class of bank				All member banks	Federal Reserve district											
	Reserve city			Country		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
	New York City	City of Chicago	Other														
Summary ratios:																	
Percentage of equity capital plus all reserves:																	
Income after taxes and before securities gains (losses)[1]	9.76	9.77	10.80	11.31	10.75	10.68	10.29	11.52	11.25	11.71	11.46	10.36	10.87	11.27	11.03	10.92	10.56
Net income	9.03	8.91	10.40	11.35	10.44	10.63	9.69	11.36	10.84	11.50	11.48	10.00	11.00	11.31	11.11	10.96	10.12
Cash dividends paid	5.95	4.82	5.04	4.01	4.79	5.27	5.65	5.31	4.40	4.60	4.10	4.06	3.75	4.32	4.89	4.00	4.80
Percentage of net income:																	
Cash dividends paid	65.90	54.18	48.46	35.33	45.88	49.64	58.35	46.74	40.60	40.04	35.77	40.64	34.12	38.24	44.07	36.49	47.49
Sources and disposition of income:																	
Percentage of total assets:																	
Total operating expenses	4.62	5.13	5.18	5.02	5.00	5.44	4.72	4.86	4.78	5.09	5.14	5.01	4.58	4.97	4.76	4.64	5.75
Salaries, wages, and fringe benefits	1.23	1.16	1.43	1.44	1.38	1.82	1.30	1.41	1.21	1.62	1.51	1.23	1.25	1.24	1.41	1.18	1.64
Interest on time and savings deposits	1.19	1.54	1.90	2.15	1.84	1.40	1.42	1.97	2.03	1.84	1.77	2.11	1.78	2.20	1.72	1.76	2.36
Occupancy expense of bank premises, net	.22	.21	.22	.23	.22	.29	.23	.22	.19	.25	.21	.21	.19	.16	.19	.16	.27
All other operating expenses	1.98	2.22	1.63	1.20	1.56	1.93	1.77	1.26	1.35	1.38	1.65	1.46	1.36	1.37	1.44	1.54	1.48
Total operating income	5.83	6.57	6.46	6.34	6.30	6.90	5.96	6.29	6.22	6.58	6.53	6.24	5.98	6.31	6.25	5.97	6.83
Income after taxes and before securities gains (losses)[1]	.79	.94	.86	.95	.88	.95	.84	1.01	1.07	.99	.96	.84	.95	.87	.99	.92	.74
Net income	.73	.86	.83	.95	.86	.95	.79	.99	1.03	.97	.96	.81	.96	.88	1.00	.93	.71
Percentage of total operating income:																	
Interest, fees, and other loan income[2]	70.69	68.98	71.94	67.49	69.81	69.22	70.31	71.36	68.33	70.23	68.13	68.42	67.36	67.81	67.77	70.86	72.15
Securities—Interest and dividends:[3]																	
U.S. Treasury securities	5.44	6.62	6.42	10.58	7.91	6.58	6.07	8.21	10.31	8.80	8.79	9.73	11.80	9.86	10.57	7.92	5.97
Other U.S. Govt. securities (agencies and corporations)	.70	.63	.74	2.63	1.48	.86	.89	1.39	1.19	2.06	2.26	1.97	2.39	2.42	1.73	2.04	1.24
Obligations of States and political subdivisions	5.78	6.47	6.89	8.94	7.48	7.29	7.23	7.46	9.83	7.48	7.86	7.82	7.34	7.39	7.06	8.49	6.27
All other securities	.51	.45	.41	.38	.42	.29	.49	.54	.42	.24	.39	.49	.36	.20	.54	.35	.36
Service charges on deposit accounts	1.29	.47	3.12	4.22	3.10	3.11	2.09	2.72	2.59	3.92	4.47	2.32	2.96	3.67	4.08	3.45	4.50
Trust department income	6.57	6.44	4.03	2.13	3.84	7.04	5.47	4.41	3.69	2.80	2.53	3.62	2.36	2.37	2.92	2.61	2.52
All other operating income	9.02	9.94	6.45	3.63	5.96	5.61	7.45	3.91	3.64	4.47	5.57	5.63	5.43	6.28	5.33	4.28	6.99
Total operating income	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Salaries and wages	17.69	14.68	19.08	19.80	18.92	22.53	18.38	18.74	17.00	21.44	20.08	16.93	18.16	16.96	19.96	17.35	20.86
Officer and employee benefits	3.42	3.08	3.13	3.01	3.13	3.85	3.45	3.64	2.50	3.28	3.05	2.87	2.85	2.79	2.66	2.42	3.24
Interest on:																	
Time and savings deposits	20.44	23.45	29.51	33.91	29.33	20.34	23.93	31.41	32.77	27.98	27.21	33.83	29.86	34.91	27.52	29.59	34.69
Borrowed money	12.23	13.98	8.12	1.45	6.48	6.77	9.62	4.53	4.18	2.69	5.20	6.71	5.42	5.48	3.98	7.31	5.31
Capital notes and debentures	.50	.17	.38	.19	.32	.29	.45	.42	.17	.26	.27	.29	.29	.24	.21	.12	.32
Occupancy expense of bank premises, net	3.81	3.29	3.45	3.73	3.62	4.33	3.94	3.55	3.07	3.82	3.31	3.45	3.26	2.67	3.06	2.77	4.03
Provision for loan losses	1.59	2.40	1.90	2.01	1.91	1.88	1.61	1.39	1.54	1.61	2.81	2.11	2.08	1.21	2.44	2.94	1.88
All other operating expenses	19.51	17.06	14.67	15.03	15.80	18.84	17.84	13.49	15.73	16.41	16.70	14.09	14.64	14.60	16.40	15.18	13.95
Total operating expenses	79.19	78.11	80.24	79.13	79.51	78.83	79.22	77.17	76.96	77.49	78.63	80.28	76.56	78.86	76.23	77.68	84.28
Income before taxes and securities gains (losses)	20.81	21.89	19.76	20.87	20.49	21.17	20.78	22.83	23.04	22.51	21.37	19.72	23.44	21.14	23.77	22.32	15.72
Income after taxes and before securities gains (losses)	13.57	14.43	13.35	15.08	14.13	13.83	14.17	16.10	17.21	15.13	14.86	13.59	15.94	14.01	15.91	15.64	10.87
Net securities gains or losses (−), after taxes	−1.07	−1.10	−.31	−.06	−.39	−.05	−.89	−.28	−.64	−.23	−.07	−.47	.04	−.15	.06	.00	−.05
All other income (net)	.05	−.18	−.19	.04	−.05	−.02	.05	.04	.02	−.05	.00	−.05	.11	.11	.04	−.04	−.39
Net income	12.55	13.15	12.85	15.06	13.69	13.76	13.33	15.86	16.59	14.85	14.79	13.07	16.09	13.97	16.01	15.60	10.43

Rates of return (per cent):																	
On securities—Interest and dividends: [3]																	
U.S. Treasury securities	6.00	5.97	5.59	5.53	5.62	5.82	5.71	5.57	5.66	5.85	5.57	5.64	5.74	5.33	5.67	5.43	5.41
Other U.S. Govt. securities (agencies and corporations)	6.87	7.96	6.19	6.58	6.55	6.98	6.41	6.52	6.61	6.73	6.62	6.74	6.33	6.65	6.62	6.58	6.24
Obligations of States and political subdivisions	4.80	4.35	4.15	4.14	4.23	4.15	4.55	3.92	4.20	4.10	4.28	4.20	3.96	4.13	4.02	4.16	4.10
All other securities	7.56	5.93	6.22	5.83	6.30	5.47	7.25	6.00	6.32	5.01	7.17	5.84	5.07	5.42	5.20	5.53	6.75
On loans: [2]																	
Interest, fees, and other loan income	7.73	7.71	8.11	7.83	7.91	8.32	7.69	7.65	7.65	8.24	8.46	7.66	7.72	7.75	8.03	7.98	8.31
Net loan losses (−) or recoveries [4]	−.39	−.38	−.32	−.28	−.32	−.33	−.35	−.21	−.26	−.30	−.47	−.29	−.37	−.17	−.35	−.44	−.27
Ratios on selected types of assets:																	
Percentage of total assets:																	
Securities: [3]																	
U.S. Treasury securities	5.30	7.28	7.42	12.13	8.86	7.80	6.33	9.28	11.33	9.89	10.32	10.76	12.28	11.67	11.66	8.72	7.52
Other U.S. Govt. securities (agencies and corporations)	.60	.52	.77	2.53	1.42	.85	.82	1.34	1.12	2.01	2.23	1.82	2.26	2.29	1.63	1.85	1.36
Obligations of States and political subdivisions	7.02	9.78	10.73	13.71	11.13	12.12	9.47	11.99	14.56	11.98	12.00	11.60	11.08	11.29	10.96	12.17	10.45
All other securities	.39	.50	.43	.41	.42	.36	.40	.57	.42	.32	.35	.52	.43	.24	.65	.38	.36
Gross loans [2]	53.40	58.76	57.31	54.65	55.55	57.39	54.46	58.71	55.56	56.04	52.61	55.75	52.20	55.16	52.76	52.99	59.29
Cash assets	25.54	15.14	18.21	13.72	17.76	17.05	22.04	14.85	14.19	16.18	18.58	15.20	18.19	15.07	19.04	19.58	15.08
Real estate assets	.99	1.64	1.79	1.79	1.63	1.76	1.12	1.49	1.35	1.91	2.40	1.51	1.50	1.59	1.82	2.28	2.11
Percentage of gross loans: [2]																	
Commercial and industrial loans	58.47	59.38	40.96	25.68	39.17	42.11	49.83	33.44	34.13	30.40	33.45	36.08	32.55	29.38	29.41	40.87	37.40
Loans to farmers	.03	.41	1.54	5.18	2.62	.29	.26	1.08	1.01	1.38	1.38	2.48	4.47	10.95	15.10	5.12	3.78
Real estate loans	8.15	7.67	21.26	30.63	21.80	22.56	15.12	26.75	26.35	23.69	18.23	27.36	23.35	28.18	15.60	11.15	27.99
Loans to individuals for personal expenditures	8.03	8.54	18.73	28.14	19.90	22.36	13.11	21.92	24.65	31.20	31.58	17.88	24.76	22.09	23.74	22.20	18.67
All other loans [2]	25.32	24.00	17.51	10.37	16.51	12.68	21.68	16.81	13.86	13.33	15.36	16.20	14.87	9.40	16.15	20.66	12.16
Other ratios (per cent):																	
Interest on time and savings deposits to time and savings deposits	5.71	5.42	5.11	4.67	4.98	4.85	5.38	4.71	4.62	4.72	4.87	4.89	4.89	4.93	4.84	5.16	5.14
Income taxes to net income plus income taxes	28.18	30.07	29.89	25.89	27.91	32.67	26.06	27.23	21.93	30.48	27.89	28.51	30.17	31.89	31.51	28.52	28.57
Time and savings deposits to total deposits	27.47	38.35	46.22	52.65	45.35	36.66	34.98	50.01	52.83	45.65	43.01	52.16	42.82	52.48	41.47	40.89	55.48
Total capital accounts and reserves to total assets [5]	8.72	9.92	8.51	8.64	8.66	9.33	8.75	9.18	9.70	8.83	8.83	8.49	9.10	8.06	9.27	8.73	7.51
Number of banks [6]	**12**	**9**	**157**	**5.589**	**5.767**	**231**	**351**	**321**	**470**	**361**	**546**	**943**	**459**	**489**	**807**	**634**	**155**

For notes see p. A-109.

INCOME RATIOS OF RESERVE CITY MEMBER BANKS, BY FEDERAL RESERVE DISTRICT

(Computed from aggregate dollar amounts; ratios expressed as percentages)

Item	Federal Reserve district											
	Boston	New York	Phila-delphia	Cleve-land	Rich-mond	Atlanta	Chicago	St. Louis	Minne-apolis	Kansas City	Dallas	San Fran-cisco
Summary ratios:												
Percentage of equity capital plus all reserves:												
Income after taxes and before securities gains (losses)[1]	10.13	9.75	11.80	11.33	12.09	10.83	9.91	10.53	11.84	10.12	11.00	10.46
Net income	10.13	9.04	11.50	10.63	11.94	10.62	9.10	10.49	11.62	10.07	10.96	9.89
Cash dividends paid	4.93	5.94	6.13	4.86	5.08	4.97	4.58	4.36	5.14	7.02	4.70	5.01
Percentage of net income:												
Cash dividends paid	48.67	65.67	53.33	45.77	42.59	46.79	50.39	41.54	44.23	69.72	42.91	50.74
Sources and disposition of income:												
Percentage of total assets:												
Total operating expenses	5.66	4.65	5.01	4.81	5.09	5.23	4.97	4.56	4.71	4.61	4.31	5.73
Salaries, wages, and fringe benefits	1.76	1.23	1.55	1.18	1.68	1.56	1.16	1.24	1.18	1.36	.95	1.61
Interest on time and savings deposits	.97	1.23	1.59	1.91	1.64	1.44	1.78	1.44	1.30	1.29	1.53	2.38
Occupancy expense of bank premises, net	.26	.22	.24	.18	.27	.21	.21	.18	.12	.15	.08	.26
All other operating expenses	2.67	1.97	1.63	1.54	1.50	2.02	1.82	1.70	2.11	1.81	1.75	1.48
Total operating income	7.17	5.86	6.50	6.34	6.63	6.67	6.22	6.00	6.34	6.03	5.67	6.78
Income after taxes and before securities gains (losses)[1]	.90	.79	.99	1.13	1.00	.93	.82	.92	.94	.91	.92	.72
Net income	.90	.73	.96	1.06	.99	.91	.75	.91	.93	.91	.92	.68
Percentage of total operating income:												
Interest, fees, and other loan income[2]	67.39	70.84	74.30	70.06	71.08	72.61	70.44	71.70	70.70	71.19	73.72	72.45
Securities—Interest and dividends:[3]												
U.S. Treasury securities	6.45	5.49	5.16	7.67	7.91	6.22	7.18	7.83	4.21	6.53	5.52	5.71
Other U.S. Govt. securities (agencies and corporations)	.88	.69	.01	.55	1.04	.51	.65	.34	.25	.32	.46	1.08
Obligations of States and political subdivisions	4.86	5.86	5.56	9.85	7.35	6.09	7.04	6.16	5.58	5.61	8.84	6.21
All other securities	.24	.50	.34	.48	.22	.61	.42	.32	.16	1.16	.42	.40
Service charges on deposit accounts	1.18	1.37	2.61	2.07	3.93	3.44	1.41	2.56	1.58	1.93	1.32	4.25
Trust department income	10.57	6.39	6.12	4.92	3.83	3.48	5.14	3.24	5.59	6.09	4.33	2.67
All other operating income	8.43	8.86	5.90	4.40	4.64	7.04	7.72	7.85	11.93	7.17	5.39	7.23
Total operating income	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Salaries and wages	21.15	17.70	19.40	16.22	21.91	20.01	15.76	17.58	15.98	19.79	14.59	20.51
Officer and employee benefits	3.38	3.41	4.48	2.39	3.51	3.46	2.97	3.15	2.71	2.75	2.28	3.26
Interest on:												
Time and savings deposits	13.57	21.00	24.53	30.09	24.88	21.60	28.74	24.02	20.59	21.39	27.01	35.11
Borrowed money	13.13	12.13	9.21	6.66	4.04	10.70	11.59	10.78	15.36	8.78	14.78	5.97
Capital notes and debentures	.39	.50	.74	.22	.46	.44	.39	.50	.30	.35	.13	.31
Occupancy expense of bank premises, net	3.71	3.81	3.69	2.93	4.10	3.22	3.41	3.13	2.02	2.58	1.52	3.94
Provision for loan losses	1.74	1.61	1.75	1.42	1.38	3.01	2.44	2.15	1.10	2.45	1.88	1.81
All other operating expenses	21.87	19.20	13.34	15.96	16.49	16.06	14.54	14.78	16.26	18.33	13.83	13.57
Total operating expenses	78.94	79.36	77.14	75.89	76.77	78.50	79.84	76.09	74.32	76.42	76.02	84.48
Income before taxes and securities gains (losses)	21.06	20.64	22.86	24.11	23.23	21.50	20.16	23.91	25.68	23.58	23.98	15.52
Income after taxes and before securities gains (losses)	12.54	13.51	15.27	17.88	15.16	14.02	13.28	15.35	14.94	15.16	16.35	10.75
Net securities gains or losses (−), after taxes	....	−1.03	−.38	−1.13	−.15	−.18	−.99	−.28	−.28	−.03	.01	−.08
All other income (net)	....	.05	.00	.03	−.04	−.09	−.10	.23	.00	−.05	−.08	−.51
Net income	12.54	12.53	14.89	16.78	14.97	13.75	12.19	15.30	14.66	15.08	16.28	10.16

Rates of return:												
On securities—Interest and dividends:[3]												
U.S. Treasury securities	5.86	6.00	5.73	5.74	6.09	5.44	5.80	5.88	5.19	5.60	5.07	5.41
Other U.S. Govt. securities (agencies and corps.)	7.30	6.86	1.74	5.81	7.25	6.64	6.80	4.99	4.30	6.08	5.37	6.22
Obligations of States and political subdivisions	3.93	4.74	3.88	4.27	4.14	4.42	4.29	3.95	4.38	3.97	4.34	4.08
All other securities	5.05	7.50	6.12	6.44	5.31	8.23	5.83	4.19	4.96	5.03	6.13	7.00
On loans:[2]												
Interest, fees, and other loan income	8.79	7.74	7.89	7.82	8.45	8.79	7.61	7.86	7.94	7.94	7.70	8.30
Net loan losses (−) or recoveries[4]	−.36	−.38	−.29	−.30	−.32	−.62	−.34	−.46	−.16	−.47	−.34	−.25
Ratios on selected types of assets:												
Percentage of total assets:												
Securities:[3]												
U.S. Treasury securities	7.88	5.36	5.86	8.47	8.60	7.62	7.70	7.99	5.15	7.03	6.18	7.15
Other U.S. Govt. securities (agencies and corps.)	.87	.59	.06	.60	.95	.51	.59	.41	.37	.32	.48	1.18
Obligations of States and political subdivisions	8.86	7.24	9.31	14.61	11.75	9.20	10.21	9.34	8.07	8.54	11.55	10.30
All other securities	.34	.39	.36	.47	.28	.50	.45	.46	.21	1.39	.38	.38
Gross loans[2]	55.00	53.68	61.25	56.84	55.77	55.11	57.57	54.72	56.48	54.10	54.29	59.21
Cash assets	20.45	25.07	18.78	15.72	18.88	22.14	17.59	22.21	21.43	24.17	21.47	15.54
Real estate assets	1.47	1.01	1.33	1.20	1.59	2.65	1.46	1.39	1.57	2.01	2.48	2.07
Percentage of gross loans:[2]												
Commercial and industrial loans	60.74	57.56	47.05	44.42	36.49	38.33	47.62	44.36	46.02	36.08	45.68	39.04
Loans to farmers	.02	.06	.06	.04	.42	.47	.34	.57	.73	5.02	.91	3.15
Real estate loans	8.47	8.80	12.21	20.09	19.16	12.22	19.15	13.02	15.12	12.56	8.45	27.73
Loans to individuals for personal expenditures	12.32	8.59	16.28	18.42	28.19	30.12	11.46	21.53	20.15	20.98	15.95	17.09
All other loans[2]	18.45	24.99	24.40	17.03	15.74	18.86	21.43	20.52	17.98	25.36	29.01	12.99
Other ratios (per cent):												
Interest on time and sav. deposits to time and sav. dep.	5.61	5.22	5.16	4.91	4.82	4.98	5.16	5.20	5.23	4.92	5.44	5.21
Income taxes to net income plus income taxes	38.71	28.16	30.24	21.32	32.61	30.92	31.00	32.98	40.22	32.80	29.90	28.40
Time and savings deposits to total deposits	24.67	28.62	38.78	48.51	40.67	35.91	44.80	34.22	32.43	31.95	35.95	55.56
Total capital accts. and reserves to total assets[5]	9.45	8.72	9.14	10.26	8.92	9.40	8.82	9.37	8.33	9.53	8.79	7.43
Number of banks[6]	**5**	**15**	**6**	**16**	**15**	**20**	**24**	**15**	**8**	**18**	**17**	**19**

For notes see p. A-109.

INCOME RATIOS OF COUNTRY MEMBER BANKS, BY FEDERAL RESERVE DISTRICT

(Computed from aggregate dollar amounts; ratios expressed as percentages)

Item	Federal Reserve district											
	Boston	New York	Phila-delphia	Cleve-land	Rich-mond	Atlanta	Chicago	St. Louis	Minne-apolis	Kansas City	Dallas	San Fran-cisco
Summary ratios:												
Percentage of equity capital plus all reserves:												
Income after taxes and before sec. gains (losses)[1]	11.01	11.94	11.31	11.13	11.35	11.85	10.90	11.18	11.00	11.52	10.85	11.03
Net income	10.93	11.68	11.25	11.16	11.08	12.01	11.09	11.45	11.16	11.68	10.97	11.32
Cash dividends paid	5.48	4.78	4.67	3.69	4.14	3.57	3.43	3.21	3.93	3.72	3.39	3.74
Percentage of net income:												
Cash dividends paid	50.17	40.94	41.55	33.13	37.37	29.72	30.93	28.09	35.22	31.88	30.94	33.08
Sources and disposition of income:												
Percentage of total assets:												
Total operating expenses	5.30	4.93	4.73	4.75	5.10	5.08	5.05	4.59	5.09	4.85	4.92	5.89
Salaries, wages, and fringe benefits	1.85	1.50	1.29	1.25	1.56	1.47	1.31	1.27	1.27	1.44	1.37	1.82
Interest on time and savings deposits	1.66	2.05	2.29	2.21	2.03	1.98	2.48	2.09	2.62	1.95	1.97	2.30
Occupancy expense of bank premises, net	.31	.27	.20	.19	.23	.21	.21	.20	.18	.21	.23	.31
All other operating expenses	1.48	1.11	.95	1.10	1.28	1.42	1.05	1.03	1.02	1.25	1.35	1.46
Total operating income	6.74	6.26	6.12	6.05	6.53	6.45	6.25	5.96	6.29	6.37	6.23	7.07
Income after taxes and before sec. gains (losses)[1]	.98	1.00	1.03	.98	.98	.98	.86	.97	.84	1.03	.92	.81
Net income	.98	.98	1.02	.98	.96	.99	.88	1.00	.85	1.05	.93	.83
Percentage of total operating income:												
Interest, fees, and other loan income[2]	70.39	68.73	68.75	65.90	69.35	65.37	66.10	63.49	66.46	65.99	68.58	70.65
Securities—Interest and dividends:[3]												
U.S. Treasury securities	6.67	7.82	10.92	14.01	9.71	10.38	12.66	15.34	12.52	12.67	9.84	7.30
Other U.S. Govt. securities (agencies and corps.)	.84	1.48	2.61	2.09	3.10	3.33	3.49	4.23	3.44	2.46	3.31	2.06
Obligations of States and political subdivisions	8.86	11.35	9.14	9.80	7.61	8.95	8.72	8.39	8.25	7.81	8.21	6.61
All other securities	.32	.45	.72	.34	.26	.25	.57	.40	.22	.22	.30	.15
Service charges on deposit accounts	4.35	4.23	2.82	3.33	3.92	5.10	3.36	3.31	4.66	5.19	5.16	5.78
Trust department income	4.77	2.73	2.90	1.96	1.74	1.95	1.87	1.57	.85	1.27	1.23	1.77
All other operating income	3.80	3.21	2.14	2.57	4.31	4.67	3.23	3.27	3.60	4.39	3.37	5.68
Total operating income	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Salaries and wages	23.42	20.40	18.15	18.10	20.97	20.11	18.28	18.69	17.41	20.05	19.56	22.66
Officer and employee benefits	4.15	3.60	2.90	2.64	3.04	2.79	2.75	2.59	2.83	2.62	2.53	3.13
Interest on:												
Time and savings deposits	24.69	32.72	37.50	36.52	31.18	30.66	39.68	35.06	41.64	30.71	31.65	32.50
Borrowed money	2.70	2.13	.39	.69	1.30	1.81	1.09	.63	.84	1.49	1.35	1.91
Capital notes and debentures	.24	.32	.14	.10	.06	.16	.17	.09	.21	.14	.12	.39
Occupancy expense of bank premises, net	4.73	4.34	3.42	3.26	3.53	3.37	3.50	3.37	2.98	3.31	3.76	4.50
Provision for loan losses	1.97	1.61	1.06	1.71	1.85	2.69	1.73	2.03	1.26	2.44	3.78	2.22
All other operating expenses	16.87	13.68	13.65	15.46	16.30	17.12	13.59	14.52	13.83	15.37	16.25	15.93
Total operating expenses	78.77	78.80	77.21	78.48	78.23	78.71	80.79	76.98	81.00	76.13	79.00	83.24
Income before taxes and securities gains (losses)	21.23	21.20	22.79	21.52	21.77	21.29	19.21	23.02	19.00	23.87	21.00	16.76
Income after taxes and before securities gains (losses)	14.65	16.13	16.83	16.28	15.10	15.37	13.95	16.47	13.57	16.31	15.07	11.49
Net securities gains or losses (−), after taxes	−.08	−.42	−.18	.02	−.32	.01	.12	.31	−.09	.10	−.01	.11
All other income (net)	−.03	.04	.08	.02	−.06	.06	.00	.01	.17	.09	.00	.18
Net income	14.54	15.75	16.73	16.32	14.72	15.44	14.07	16.79	13.65	16.50	15.06	11.78

Rates of return:												
On securities—Interest and dividends: [3]												
U.S. Treasury securities	5.80	5.20	5.51	5.59	5.66	5.62	5.53	5.68	5.35	5.68	5.60	5.44
Other U.S. Govt. securities (agencies and corps.)	6.78	5.87	6.63	6.96	6.57	6.62	6.73	6.45	6.78	6.66	6.75	6.30
Obligations of States and political subdivisions	4.24	4.28	3.93	4.09	4.07	4.23	4.13	3.96	4.05	4.05	4.02	4.16
All other securities	5.70	6.53	5.95	6.10	4.77	5.99	5.84	5.95	5.60	5.73	4.99	4.55
On loans: [2]												
Interest, fees, and other loan income	8.06	7.56	7.44	7.40	8.04	8.25	7.71	7.58	7.67	8.08	8.24	8.36
Net loan losses (−) or recoveries [4]	−.32	−.24	−.13	−.21	−.27	−.37	−.23	−.27	−.18	−.28	−.53	−.36
Ratios on selected types of assets:												
Percentage of total assets:												
Securities: [3]												
U.S. Treasury securities	7.75	9.42	12.13	15.15	11.20	11.92	14.31	16.09	14.71	14.21	10.94	9.50
Other U.S. Govt. securities (agencies and corps.)	.84	1.58	2.41	1.82	3.08	3.25	3.24	3.91	3.19	2.35	3.06	2.32
Obligations of States and political subdivisions	14.08	16.58	14.23	14.48	12.21	13.67	13.21	12.62	12.80	12.29	12.72	11.24
All other securities	.38	.43	.74	.34	.36	.26	.61	.41	.25	.25	.38	.23
Gross loans [2]	58.83	56.93	56.58	53.84	56.33	51.12	53.65	49.96	54.54	52.02	51.86	59.75
Cash assets	15.01	12.36	11.56	12.15	13.45	16.45	12.43	14.62	12.09	16.23	17.93	12.66
Real estate assets	1.93	1.49	1.61	1.57	2.23	2.25	1.57	1.60	1.60	1.71	2.10	2.32
Percentage of gross loans: [2]												
Commercial and industrial loans	31.63	26.56	21.14	19.56	24.29	30.31	21.77	21.06	21.33	25.60	36.45	28.67
Loans to farmers	.44	.87	2.00	2.39	2.35	1.97	5.14	8.25	15.90	20.86	9.00	7.08
Real estate loans	30.48	34.12	39.87	35.20	28.24	22.09	37.55	33.39	34.49	17.33	13.63	29.38
Loans to individuals for personal expenditures	28.01	26.72	27.02	33.47	34.22	32.53	25.85	27.90	23.03	25.32	27.94	27.09
All other loans [2]	9.44	11.73	9.97	9.38	10.90	13.10	9.69	9.40	5.25	10.89	12.98	7.78
Other ratios (per cent):												
Interest on time and sav. deposits to time and sav. dep.	4.63	4.56	4.48	4.32	4.65	4.82	4.69	4.72	4.87	4.81	4.99	4.79
Income taxes to net income plus income taxes	28.78	20.55	24.67	22.79	28.10	26.11	25.84	27.70	26.73	30.88	27.28	29.33
Time and savings deposits to total deposits	42.68	52.05	58.54	58.10	50.55	46.91	59.58	49.76	60.59	46.36	44.74	55.08
Total capital accts. and reserves to total assets [5]	9.25	8.83	9.22	8.96	8.74	8.48	8.11	8.86	7.93	9.13	8.68	7.93
Number of banks [6]	**226**	**336**	**315**	**454**	**346**	**526**	**919**	**444**	**481**	**789**	**617**	**136**

1 Excludes minority interest in operating income, if any.
2 Loans include Federal funds sold and securities purchased under agreements to resell.
3 Excludes trading-account securities.
4 Net losses on loans is the sum of the expense item "provision for loan losses" for banks not on a reserve accounting method plus the excess of losses charged against reserves for losses on loans over recoveries credited to these reserves for banks on a reserve accounting method.
5 Includes capital notes and debentures and all valuation reserves.
6 Excludes one member bank located outside the continental United States.

NOTE.—The ratios in this and the preceding two tables were computed from the dollar aggregates shown in preceding tables. Many of these ratios vary substantially from the average of individual bank ratios, (which will be published in a subsequent issue) in which each bank's figures—regardless of size or amount—are weighted equally and in general have an equally important influence on the result. In the ratios based on aggregates presented here, the experience of those banks in each group whose figures are largest have a much greater influence than that of the many banks with smaller figures. Ratios based on aggregates show combined results for the banking system as a whole, and, broadly speaking, are the more significant for purposes of general analyses of credit and monetary problems, while averages of individual ratios are useful primarily to those interested in studying the financial results of operations of individual banks.

BANK HOLDING COMPANIES, DECEMBER 31, 1970

(Registered pursuant to Section 5, Bank Holding Company Act of 1956. Does not include companies that became bank holding companies as a result of "Bank Holding Company Act Amendments of 1970," approved December 31, 1970)

Location of principal office	Holding company
Arkansas	
Little Rock	First Arkansas Bankstock Corporation
California	
Los Angeles	Western Bancorporation
Oakland	Central Banking System, Inc.
Colorado	
Boulder	Affiliated Bankshares of Colorado, Inc.
Colorado Springs	Central Colorado Bancorp, Inc.[1]
Denver	Colorado National Bankshares, Inc.[2]
Denver	The First National Bancorporation, Inc.
Denver	United Banks of Colorado, Inc.
Littleton	First Colorado Bankshares, Inc.
Connecticut	
Hartford	First Connecticut Bancorp, Inc.[1]
District of Columbia	
Washington	Financial General Bankshares, Inc.
Florida	
Boca Raton	First Bancshares of Florida, Inc.[1]
Coral Gables	United Bancshares of Florida, Inc.
Fort Lauderdale	Broward Bancshares, Inc.
Hollywood	Citizens Bancshares of Florida, Inc.[1]
Jacksonville	Atlantic Bancorporation
Jacksonville	Barnett Banks of Florida, Inc.
Jacksonville	Charter Bankshares Corporation
Jacksonville	Trustees, Estate of Alfred I. duPont
Miami	Central Bancorp, Inc
Miami	City National Bank Corporation[1]
Miami	Commercial Bancorp, Inc.
Miami	Pan American Bancshares, Inc.
Miami	Southeast Banking Corporation[2]
Miami Beach	Jefferson Bancorp, Inc.
Orlando	First at Orlando Corporation
Tampa	Exchange Bancorporation, Inc.
Tampa	First Financial Corporation
Tampa	First Florida Bancorporation
Tampa	The First National Bank of Tampa
Tampa	Union Security & Investment Co.
Georgia	
Atlanta	Trust Company of Georgia
Atlanta	Trust Company of Georgia Associates
Savannah	Citizens and Southern Holding Company
Savannah	The Citizens and Southern National Bank
Iowa	
Des Moines	Brenton Banks, Inc.
Red Oak	Hawkeye Bancorporation
Kentucky	
Louisville	Trustees, First National Bank of Louisville
Maine	
Augusta	Depositors Corporation
Bangor	Eastern Trust and Banking Company
Bangor	Merrill Bankshares Company
Lewiston	Northeast Bankshare Association[2]
Portland	United Bancorp of Maine[1]
Maryland	
Baltimore	Mercantile Bankshares Corporation
Massachusetts	
Boston	Baystate Corporation
Boston	Shawmut Association, Inc.
Minnesota	
Minneapolis	Bank Shares Incorporated
Minneapolis	First Bank System, Inc.
Minneapolis	Northwest Bancorporation
St. Paul	American Bancorporation, Inc.[1]
St. Paul	Jacob Schmidt Company[1]
St. Paul	Mid America Bancorporation, Inc.
St. Paul	Otto Bremer Company
St. Paul	Otto Bremer Foundation
Missouri	
Clayton	Mark Twain Bancshares, Inc.
Kansas City	Commerce Bancshares, Inc.
Kansas City	First National Charter Corporation
Kansas City	Joe W. Ingram Trust "B"
Kansas City	Midwest Bancorporation, Inc.
Kansas City	Missouri Bancshares, Inc.[1]
St. Joseph	First Midwest Bancorp., Inc.
St. Louis	First Union, Incorporated
St. Louis	General Bancshares Corporation
Springfield	U. N. Bancshares, Inc.[1]
Montana	
Great Falls	Bancorporation of Montana
New Hampshire	
Nashua	New Hampshire Bankshares, Inc.
New Jersey	
Hackensack	United Jersey Banks[1]
Newark	First National State Bancorporation[1]
Newark	Midlantic Banks Inc.
New Mexico	
Alamogordo	Bank Securities, Inc.
New York	
Buffalo	Marine Midland Banks, Inc.
New York	The Bank of New York Company, Inc.
New York	Bankers Trust New York Corporation
New York	Charter New York Corporation
New York	Empire Shares Corporation
New York	The Morris Plan Corporation
Rochester	Lincoln First Banks Inc.
Rochester	Security New York State Corporation
Warsaw	Financial Institutions, Inc.
Warsaw	Geneva Shareholders, Inc.
North Carolina	
Whiteville	United Carolina Bancshares Corporation[1]
Ohio	
Cincinnati	The Central Bancorporation, Inc.
Cleveland	Society Corporation
Columbus	American Bancorporation
Columbus	BancOhio Corporation
Columbus	First Banc Group of Ohio, Inc.
Columbus	Huntington Bancshares Incorporated
Mansfield	Mid-Ohio Banc-Shares, Inc.
South Dakota	
Aberdeen	Dacotah Bank Holding Co.
Tennessee	
Chattanooga	Hamilton Bancshares, Inc.[2]
Johnson City	United Tennessee Bancshares Corporation
Texas	
Dallas	Mercantile National Bank at Dallas
Fort Worth	The First National Bank of Fort Worth
Houston	First City Bancorporation of Texas, Inc.[2]
Houston	Southwest Bancshares, Inc.[1]
Utah	
Salt Lake City	First Security Corporation
Virginia	
Arlington	First Virginia Bankshares Corporation
Lynchburg	Fidelity American Bankshares, Inc.
Richmond	United Virginia Bankshares Incorporated
Richmond	Virginia Commonwealth Bankshares, Inc.
Roanoke	Dominion Bankshares Corporation
Washington	
Port Angeles	Union Bond & Mortgage Company
Spokane	Washington Bancshares, Inc.
Wisconsin	
Appleton	First National Corporation
Appleton	Valley Bancorporation
Green Bay	Associated Bank Services, Inc.
Madison	Affiliated Bank Corporation
Madison	Mid-Wis Bankshares, Inc.
Milwaukee	American Bankshares Corporation
Milwaukee	First Wisconsin Bankshares Corporation
Milwaukee	The Marine Corporation
Milwaukee	Marshall & Ilsley Bank Stock Corporation
Sheboygan	Citizens Bancorporation
Sheboygan	Security Financial Services, Inc.
Waukesha	First Holding Company, Inc.
Wausau	Central Wisconsin Bankshares, Inc.
Wyoming	
Cheyenne	Wyoming Bancorporation
Canada	
Montreal	Bank of Montreal
Toronto	Canadian Imperial Bank of Commerce
England	
London	Barclays Bank Limited
Japan	
Tokyo	The Bank of Tokyo, Ltd.

[1] These companies were bank holding companies as of Dec. 31, 1970, but had not registered with the Board in 1970.
[2] Reflects name changes subsequent to Dec. 31, 1970.

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	Roswell L. Gilpatric	William F. Treiber	
Buffalo 14240	Norman F. Beach		A. A. MacInnes, Jr.
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	D. Robert Yarnall, Jr.	David C. Melnicoff	
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	J. Ward Keener	Walter H. MacDonald	
Cincinnati 45201	Graham E. Marx		Fred O. Kiel
Pittsburgh 15230	Lawrence E. Walkley		Clyde E. Harrell
Richmond 23261	Wilson H. Elkins	Aubrey N. Heflin	
	Robert W. Lawson, Jr.	Robert P. Black	
Baltimore 21203	Arnold J. Kleff, Jr.		H. Lee Boatwright, III
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ANTICIPATED SCHEDULE OF RELEASE DATES FOR PUBLIC PERIODIC RELEASES [1]— BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Weekly releases	Approximate release day	Date or period to which data refer
Aggregate Reserves and Member Bank Deposits (H.3)	Tuesday	Week ended previous Wednesday
Applications and Reports Received, or Acted on, by the Board (H.2)	Tuesday	Week ended previous Saturday
Assets and Liabilities of All Commercial Banks in the United States (H.8)	Wednesday	Wednesday, 2 weeks earlier
Changes in State Bank Membership (K.3)	Tuesday	Week ended previous Saturday
Commercial and Industrial Loans Outstanding, by Industry (H.12)[2]	Wednesday	Wednesday, 1 week earlier
Condition Report of Large Commercial Banks in New York and Chicago (H.4.3)	Thursday	Previous Wednesday
Condition Report of Large Commercial Banks and Domestic Subsidiaries (H.4.2)[3]	Wednesday	Wednesday, 1 week earlier

Weekly releases (cont.)	**Approximate release day**	**Date or period to which data refer**
Deposits, Reserves, and Borrowings of Member Banks (H.7)	Wednesday	Week ended 3 Wednesdays earlier
Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks (H.4.1)	Thursday	Week ended previous Wednesday
Money Stock Measures (H.6)	Thursday	Week ended Wednesday of previous week
Reserve Positions of Major Reserve City Banks (H.5)	Friday	Week ended Wednesday of previous week
Selected Interest and Exchange Rates for Major Countries and the United States (H.13)	Thursday	Week ended previous Saturday
Weekly Foreign Exchange Rates (H.10)	Monday	Week ended previous Friday
Weekly Summary of Banking and Credit Measures (H.9)	Thursday	Week ended previous Wednesday; and week ended Wednesday of previous week
Weekly U.S. Government Security Yields and Prices (H.15)	Monday	Week ended previous Saturday
Semimonthly releases		
Research Library—Recent Acquisitions (J.2)	1st and 16th of month	Period since last release
Monthly releases		
Assets and Liabilities of All Member Banks by Districts (G.7.1)	14th of month	Last Wednesday of previous month
Automobile Loans by Major Finance Companies (G.25)	7th working day of month	2nd month previous
Automobile Instalment Credit Developments (G.26)	6th working day of month	2nd month previous
Bank Debits, Deposits, and Deposit Turnover (G.6)	25th of month	Previous month
Business Indexes (G.12.3) (Industrial Production Indexes also available annually, see p. A-126)	15th of month	Previous month
Commercial and Industrial Term Loans Outstanding by Industry (H.12b) **Available only as attachment to weekly H.12 release**	2nd Wednesday of month	Last Wednesday of previous month
Consumer Credit (G.19)	3rd working day of month	2nd month previous
Consumer Instalment Credit at Commercial Banks (G.18)	4th working day of month	2nd month previous
Finance Companies (G.20)	5th working day of month	2nd month previous
Interdistrict Settlement Fund (G.15)	15th of month	Previous month
Index Numbers of Wholesale Prices (G.8)	20th of month	Previous month

Monthly releases (cont.)	**Approximate release day**	**Date or period to which data refer**
Maturity Distribution of Euro-Dollar Deposits in Foreign Branches of U.S. Banks (G.17)	1st of month	Last day of 3rd month previous
Maturity Distribution of Outstanding Negotiable Time Certificates of Deposit (G.9)	24th of month	Last Wednesday of previous month
Monthly Foreign Exchange Rates (G.5)	1st of month	Previous month
National Summary of Business Conditions (G.12.2)	15th of month	Previous month
Open Market Money Rates and Bond Prices (G.13)	6th of month	Previous month
State Member Banks of Federal Reserve System and Nonmember Banks that Maintain Clearing Accounts with Federal Reserve Banks (G.4)	1st week of month	Previous month
(Also annual)	1st week of February	End of previous year
Summary of Equity Security Transactions (G.16)	Last week of month	Release date
U.S. Government Security Yields and Prices (G.14)	4th of month	Previous month

Quarterly releases		
Bank Rates on Short-Term Business Loans (E.2)	18th of March, June, September, December	1st 15 days of February, May, August, November
Capacity Utilization in Manufacturing (E.5)	21st of January, April, July, October	Previous quarter
Flow of funds: Seasonally adjusted and unadjusted (Z.1) Seasonally adjusted **only** (Z.1a) Volume and Composition of Individuals' Saving (flow of funds series) (E.8)	15th of February, May, August, and November	Previous quarter
Sales, Profits, and Dividends of Large Corporations (E.6)[1]	10th of April, June, September, December	2nd quarter previous

Semiannual releases	**Approximate release day**	**Date or period to which data refer**
Assets and Liabilities of All Commercial Banks, by Class of Bank (E.3.4)	May and November	End of previous December and June
List of OTC Margin Stocks (E.7)	June 30, December 31	Release date
(Also monthly revisions)	Last week of month	Period since last release
Assets, Liabilities, and Capital Accounts of Commercial and Mutual Savings Banks—Reports of Call (Joint Release of Federal Deposit Insurance Corp., Board of Governors of Federal Reserve System, and Office of Comptroller of the Currency. *Published and distributed by FDIC*)	May and November	End of previous December and June

Annual releases	**Approximate release day**	**Date or period to which data refer**
Bank Debits to Demand Deposit Accounts Except Interbank and U.S. Government Accounts (C.5)	March 25	Previous year
End of Month Demand Deposits Except Interbank and U.S. Government Accounts (C.5a)	March 25	Previous year
Federal Reserve Par List (G.3)	Early November	Previous September 30
(Also monthly supplements)	5th of month	Period since last release
Industrial Production Indexes (*Available upon request, after being announced*)	November	Previous year
Member Bank Income (C.4)	End of May	Previous year

[1] Release dates are those anticipated or usually met. However, it should be noted that for some releases there is normally a certain variability because of reporting or processingprocedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated.
[2] Contains monthly H.12b release on second Wednesday of month.
[3] Contains revised H.4.3 data.
[4] Publication temporarily suspended.

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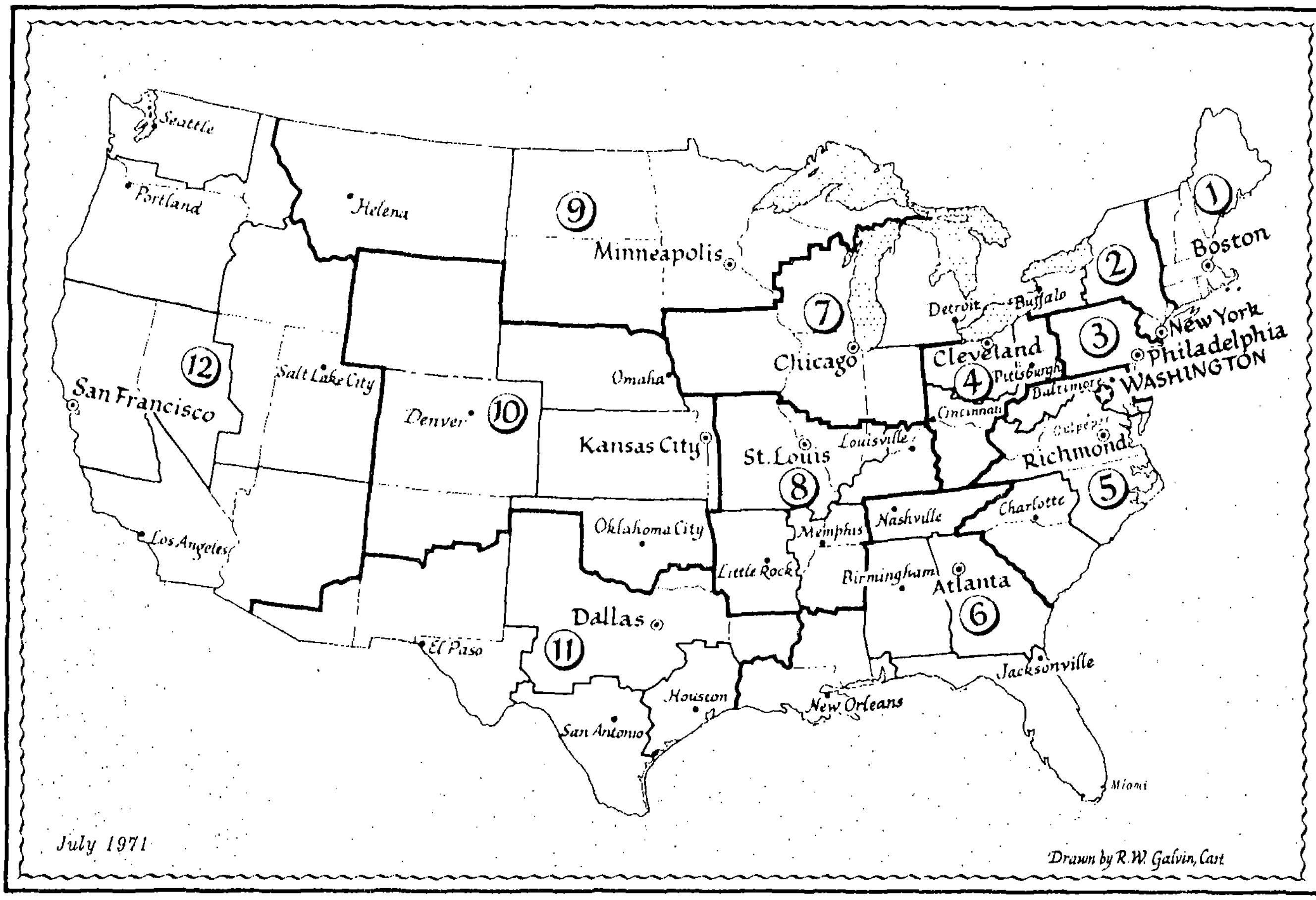
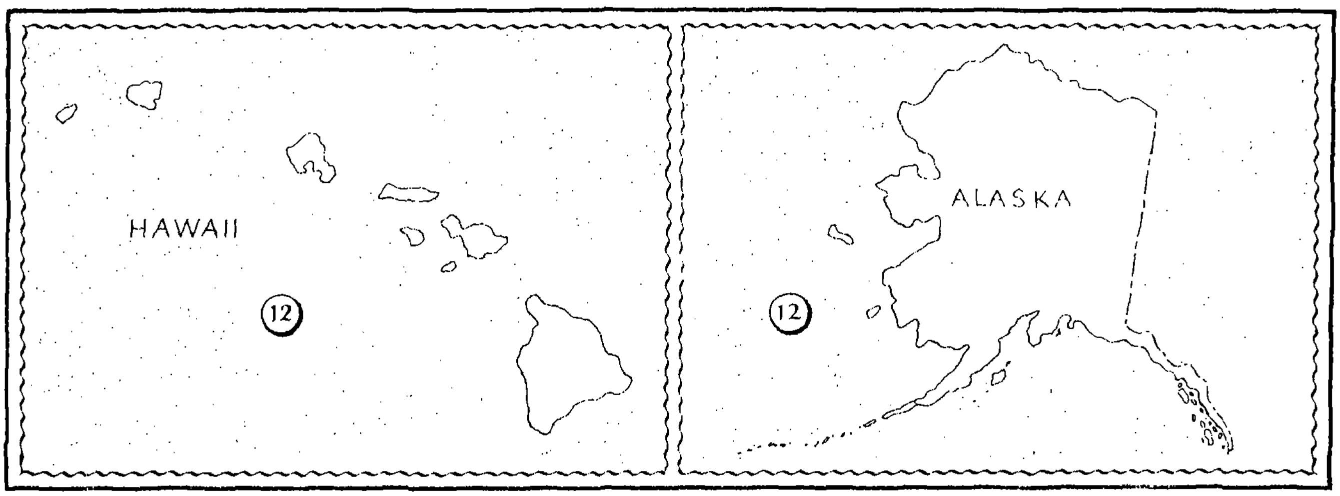


THE FEDERAL RESERVE SYSTEM



Legend

Boundaries of Federal Reserve Districts — Boundaries of Federal Reserve Branch Territories

Board of Governors of the Federal Reserve System

Federal Reserve Bank Cities • Federal Reserve Branch Cities

· Federal Reserve Bank Facilities