

VOLUME 67 □ NUMBER 6 □ JUNE 1981

FEDERAL RESERVE BULLETIN

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

PUBLICATIONS COMMITTEE

Joseph R. Coyne, *Chairman* □ Stephen H. Axilrod □ John M. Denkler
Janet O. Hart □ James L. Kichline □ ~~Neal L. Johnson~~ □ Edwin M. Truman

Naomi P. Salus, *Coordinator*

The FEDERAL RESERVE BULLETIN is issued monthly under the direction of the staff publications committee. This committee is responsible for opinions expressed except in official statements and signed articles. The artwork is provided by the Graphic Communications Section under the direction of Peter G. Thomas. Editorial support is furnished by the Economic Editing Unit headed by Mendelle T. Berenson.

Table of Contents

461 *CHANGING PATTERNS OF HOUSING FINANCE*

Activity in housing markets has contracted since 1978 in an environment of rapid inflation and higher interest rates.

473 *FINANCIAL DEVELOPMENTS OF BANK HOLDING COMPANIES IN 1980*

In 1980 bank holding companies operated in a particularly difficult environment, but on balance came through reasonably well.

480 *FINANCIAL PERFORMANCE OF SMALL BANKS, 1977-80*

In a period of many changes and some adversities, the majority of small commercial banks have fared well.

486 *TREASURY AND FEDERAL RESERVE FOREIGN EXCHANGE OPERATIONS: INTERIM REPORT*

From February to April the U.S. dollar was in strong, then weak, and finally heavy demand; in mid-April the U.S. authorities adopted a minimal intervention approach, but the Federal Reserve continued to operate in the market as agent for other central banks.

488 *INDUSTRIAL PRODUCTION*

Output rose 0.3 percent in May.

490 *STATEMENT TO CONGRESS*

J. Charles Partee, Member, Board of Governors, discusses the bank examination process and recent efforts to make examinations more cost effective and more uniform among the federal agencies, and says the Board strongly opposes a General Accounting Office proposal that examiners be

“pooled” among the federal agencies, before the House Committee on Banking, Finance and Urban Affairs, June 4, 1981.

494 *ANNOUNCEMENTS*

Adoption of policy statement on sale of third-party commercial paper by state member banks.

Proposal on simplified Regulation Z (Truth in Lending).

Release of list of foreign banks operating in the United States and their home states.

Delegation of authority to General Counsel for exceptions to the rules against interlocking managements of depository institutions.

Nominations to Consumer Advisory Council.

Amendment to Regulation T regarding speculative holding of foreign currency in a margin account.

Publication of Annual Report for 1980.

Changes in Board staff.

Admission of six state banks to membership in the Federal Reserve System.

497 *RECORD OF POLICY ACTIONS OF THE FEDERAL OPEN MARKET COMMITTEE*

At its meeting on March 31, 1981, the Committee decided to seek behavior of reserve aggregates associated with growth of M1-B over the period from March to June at an annual rate of 5½ percent or somewhat less, after allowance for the impact of flows into NOW accounts, and growth in M2 at an annual rate of about 10½ percent. In evaluating the behavior of the aggregates, it was agreed that greater

weight than before would be given to the behavior of M2. If it appeared during the period before the next scheduled meeting that fluctuations in the federal funds rate, taken over a period of time, within a range of 13 to 18 percent were likely to be inconsistent with the monetary and related reserve paths, the Manager of Domestic Operations was promptly to notify the Chairman, who would then decide whether the situation called for supplementary instructions from the Committee.

In the telephone conference on May 6, the Committee agreed that in the brief period before the next regular meeting scheduled for May 18, the reserve path would continue to be set on the basis of the short-run objectives for monetary growth established at the March 31 meeting. It was noted that for a time actual money growth might be high relative to those objectives in view of the recent performance of the monetary aggregates. The Committee recognized that short-term market interest rates might well fluctuate around levels prevailing in recent days and that the federal funds rate might continue to exceed the upper end of the range indicated for consultation at the previous meeting. The Committee agreed to consult further if necessary to maintain adequate restraint on the monetary and credit aggregates.

507 *LEGAL DEVELOPMENTS*

Amendments to Regulations D and Q; amendment to rules; various bank holding company and bank merger orders; and pending cases.

A1 *FINANCIAL AND BUSINESS STATISTICS*

A3 Domestic Financial Statistics

A44 Domestic Nonfinancial Statistics

A52 International Statistics

A68 Special Tables

A67 *GUIDE TO TABULAR PRESENTATION, STATISTICAL RELEASES, AND SPECIAL TABLES*

A72 *BOARD OF GOVERNORS AND STAFF*

A74 *FEDERAL OPEN MARKET COMMITTEE AND STAFF; ADVISORY COUNCILS*

A75 *FEDERAL RESERVE BANKS, BRANCHES, AND OFFICES*

A76 *FEDERAL RESERVE BOARD PUBLICATIONS*

A81 *INDEX TO STATISTICAL TABLES*

A83 *MAP OF FEDERAL RESERVE SYSTEM*

Changing Patterns of Housing Finance

This article was prepared by David F. Seiders of the Mortgage and Consumer Finance Section of the Division of Research and Statistics.

Activity in housing markets has contracted since 1978 in an environment of rapid inflation and higher interest rates. The housing downswing, while substantial, has been limited by the persistence of strong demands for shelter and by major changes in institutions and practices in the residential mortgage markets. Some of the changes in mortgage markets have been part of an evolutionary process prompted by recurrent housing cycles. Others have been sparked by persistent inflation or by the high and volatile interest rates during the past few years.

Regulatory and institutional adjustments in mortgage markets have altered both the timing and the magnitude of the impacts of monetary restraint on housing activity and the channels through which it operates. Specialized mortgage lenders and mortgage borrowers may now compete more freely for funds because ceilings on deposit and mortgage interest rates have been relaxed and because mortgage and bond markets have become more closely linked by improvements in secondary mortgage markets. Moreover, recent changes in mortgage commitment practices and in the form of the mortgage instrument have fostered a shift from lenders to borrowers of some risks from interest rate fluctuations and thus have helped to maintain the attractiveness of mortgage investment.

With the crumbling of artificial constraints on the availability of mortgage credit, interest cost has become a more important determinant of the volume of funds raised in the residential mortgage markets. But public and private initiatives have been designed, in turn, to help prospective borrowers overcome the constraints imposed by record high market rates: lending standards have been eased, schedules of mortgage repayments have been altered, below-market rates have been

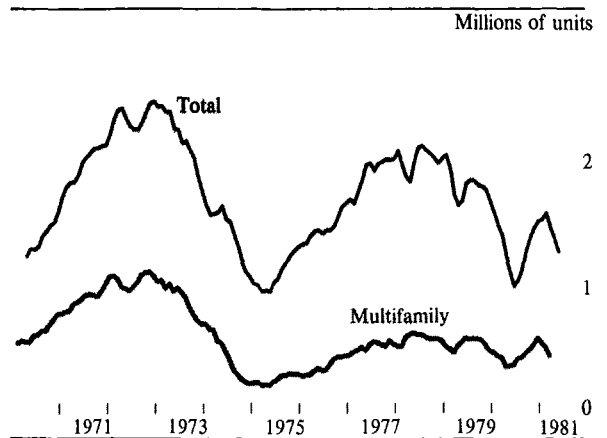
provided to borrowers, and outstanding low-rate loans have been transferred to home buyers from home sellers. At the same time, some measures favoring borrowers have had adverse impacts on the federal budget or exacerbated earnings problems of private and federally related mortgage investors, and have prompted counteractions.

The market shares of major types of private and public institutions have shifted somewhat as a result of the many important developments on the supply side of the residential mortgage markets. Further changes in the patterns of housing finance will depend heavily on the course of interest rates and decisions made at the federal level concerning the proper place of housing in the nation's capital structure.

RECENT BEHAVIOR OF HOUSING ACTIVITY

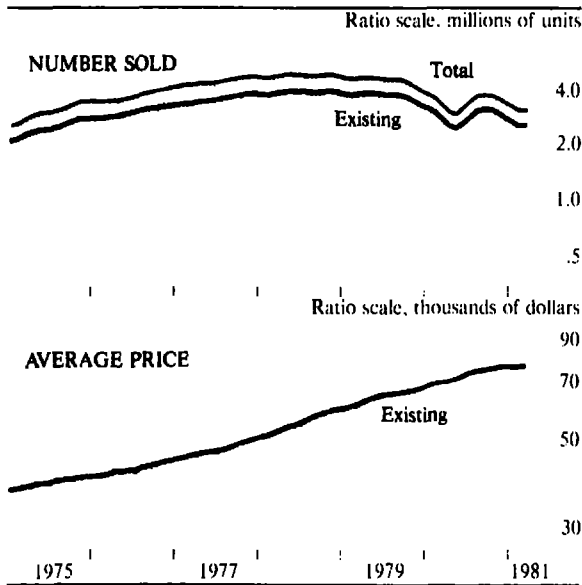
Total private housing starts have declined markedly from the peak attained around the middle of 1978 (chart 1). The reduction in starts has been concentrated in the market for single-family

1. Private housing starts



Census Bureau seasonally adjusted monthly data at annual rates converted to three-month moving averages by the Federal Reserve.

2. Home sales and prices



Merchant-builder sales of new homes as reported by the Census Bureau, and existing home sales as reported by the National Association of Realtors, both at seasonally adjusted annual rates. Average prices of new and existing homes sold, also reported by these sources, seasonally adjusted by the Federal Reserve. Sales and prices converted to three-month moving averages by the Federal Reserve

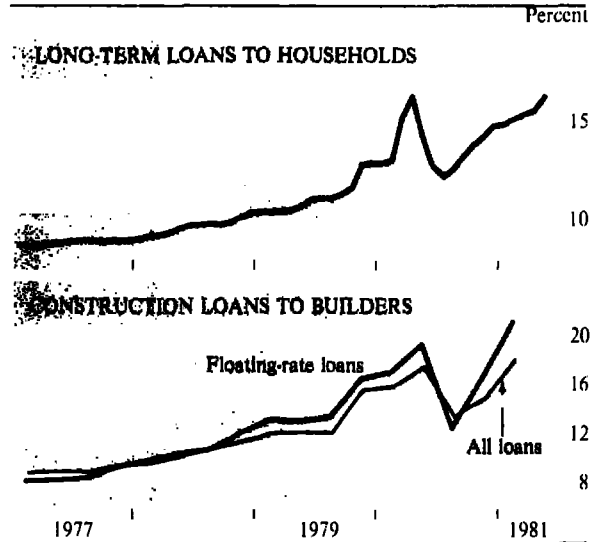
structures, and sales of both new and existing single-family homes also have contracted. As the volume of activity has fallen, the rate of increase in average home prices has slowed somewhat (chart 2).

The relative stability of construction activity in the multifamily sector has reflected in part growing demands for condominium and cooperative units by households seeking to achieve ownership status at prices below those in the markets for single-family structures. The multifamily sector also has received support from the federal government by means of rental subsidies provided by the U.S. Department of Housing and Urban Development (HUD) and mortgage interest rate subsidies by the Government National Mortgage Association (GNMA). And as vacancy rates have fallen to historically low levels, some nonsubsidized rental projects have been built, especially in markets unfettered by rent controls.

Recent declines in the construction and sale of houses have reflected major shifts in financial market conditions. By the spring of last year, interest rates on new commitments for fixed-rate, long-term home mortgages had risen more than 50 percent above the peak reached in the

previous housing cycle; following a sharp decline around the middle of 1980, average home mortgage rates again climbed to more than 16 percent by May of this year. Interest rates in the markets for short-term construction loans to builders also have posted records and have exhibited wide swings (chart 3).

3. Home mortgage interest rates

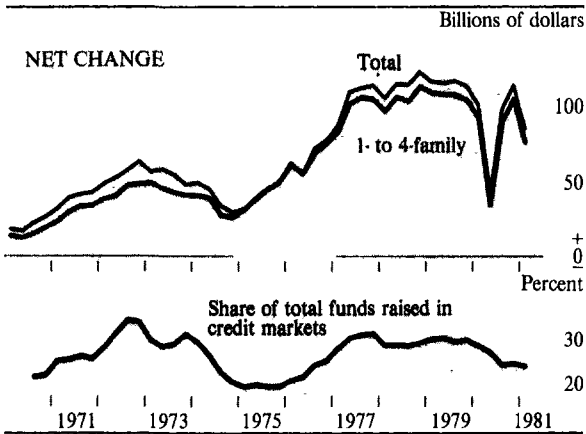


Long-term mortgage rates are monthly averages of weekly contract rates on new commitments for fixed-rate 30-year conventional new-home mortgages with 80 percent loan-value ratios, as reported by the Federal Home Loan Mortgage Corporation. Construction loan rates are average effective yields on construction loans made by commercial banks reporting to the Federal Reserve in the quarterly survey of terms of bank lending to business.

Considering the extent of increase in market interest rates, mortgage and housing activity has held up unusually well, compared with what might have been expected on the basis of earlier postwar experience. The share of residential mortgages in total funds raised in U.S. credit markets had declined only moderately through the first quarter of 1981 (chart 4), and the position of residential investment expenditures in the gross national product so far has remained above the shares recorded in 1974-75 (chart 5).

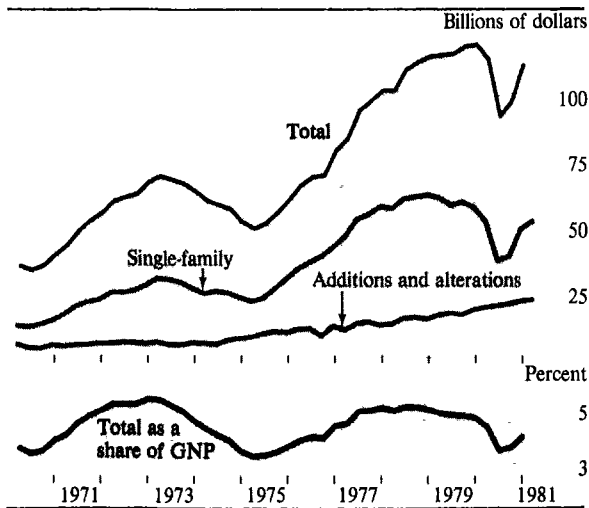
The performance of housing construction and mortgage lending has reflected strong demands associated with both demographic and social factors that have supported household formation and the attractiveness of housing as an inflation hedge and an investment good. But important developments on the supply side of the mortgage

4. Residential mortgage debt



Quarterly mortgage debt by type of structure estimated—and converted to seasonally adjusted annual rates—by the Federal Reserve as required to supplement reports of federal agencies and private sources. Total funds raised in credit markets refer to all funds raised in U.S. credit markets—excluding equities—by all nonfinancial sectors, both private and foreign.

5. Residential investment expenditures



Commerce Department data on the current-dollar value of gross residential investment expenditures, at seasonally adjusted annual rates. Total includes mobile homes, nonhousekeeping units, and brokers' commissions, not shown separately. Share of GNP based on current-dollar values for both total residential and gross national product.

markets also have contributed to the resilience of housing activity.

*EASING OF CONSTRAINTS
ON CREDIT AVAILABILITY*

Regulations imposed by federal and state governments on mortgage lenders and instruments tend-

ed to magnify the impact of general credit restraint on the mortgage and housing markets during the latter half of the 1960s and most of the 1970s. Ceilings on deposit rates payable by savings and loan associations and mutual savings banks limited the ability of these specialized mortgage finance institutions to compete effectively for funds in periods of high market interest rates, while ceilings on mortgage interest rates worked to exclude many borrowers from the market and hampered yield adjustments necessary to attract mortgage funds from diversified private institutions. The nonrate characteristics of mortgage assets also proved to be unattractive to many investors, further limiting arbitrage between the mortgage and other components of the capital markets. Federal actions in recent years have fostered freer competition in deposit and mortgage markets, although artificial constraints on the availability of mortgage credit have not been fully eliminated.

Deposit Rate Ceilings

Perhaps the most important competitive innovations have been the variable-ceiling deposits made available to the depository institutions by federal regulation: the six-month money market certificates (MMCs), introduced in June 1978, and the longer-term "small saver" certificates (SSCs), introduced in mid-1979. These federally insured instruments generally have enabled savings and loan associations and mutual savings banks to maintain deposit flows well above levels that otherwise would have been sustained.

Nevertheless, the variable-ceiling accounts have limited competitive effectiveness. Both types of deposits have substantial penalties for premature withdrawal, and the minimum denomination (\$10,000) on MMCs has been beyond the means of many savers. Under current rules, moreover, the nominal ceiling on SSCs is capped at 12 percent and limits on interest compounding help to hold effective yields on MMCs below those available on Treasury securities with comparable maturity. And, under certain market conditions, MMCs have had considerable difficulty competing against yields available on shares in money market mutual funds.

Mortgage Interest Rate Ceilings

Ceilings on mortgage rates have caused serious problems for homebuyers in many areas since the late 1960s. Because of limits on contract interest rates, lenders have attempted to capture a desired net mortgage yield through loan points, if permitted by law, or by improving the quality of mortgage credit through changes in nonrate loan terms or lending standards, adjustments that impose income or wealth constraints that many would-be borrowers cannot overcome.

A number of states made upward adjustments to their ceilings on conventional home mortgage rates, or tied the ceilings to various market yields, as mortgage rates climbed during 1978 and 1979. At the end of 1979, the federal government preempted state ceilings on first mortgages made by all major types of lenders for the purchase of homes (states have until 1983 to override the federal preemption if they wish). Paradoxically, federal ceilings still apply to rates that can be charged on mortgages insured by the Federal Housing Administration (FHA) or guaranteed by the Veterans Administration (VA). Discount points on FHA and VA home mortgages have risen to high levels on many occasions since the end of 1979, and the administration has raised the ceilings nine times since then.

Passthrough Securities

The development of markets for mortgage passthrough securities of high quality and with good liquidity has given home mortgage borrowers broader access to the capital markets. The predominant passthroughs are those guaranteed by GNMA (table 1). These securities, which represent shares in pools of FHA- and VA-underwritten loans, are issued by private mortgage originators (primarily mortgage companies), and major securities dealers make primary and secondary markets in the instruments. Funds have been available through the GNMA market for households that meet FHA or VA requirements and are willing to pay competitive market yields and required insurance premiums. Ceilings on FHA loan sizes and on the amount of loan that VA can guarantee, however, have led

1. Federally underwritten mortgage passthrough securities

Amounts outstanding in billions of dollars

| End of period | Total | Guaranteed by | | | Total as percent of residential mortgage debt outstanding |
|---------------|-------|---------------|-------|------|---|
| | | GNMA | FHLMC | FmHA | |
| 1970 | 2.7 | .4 | ... | 2.3 | .7 |
| 1971 | 6.9 | 3.1 | .1 | 3.7 | 1.7 |
| 1972 | 11.1 | 5.5 | .4 | 5.2 | 2.4 |
| 1973 | 14.3 | 7.9 | .8 | 5.6 | 2.8 |
| 1974 | 19.5 | 11.8 | .8 | 6.9 | 3.6 |
| 1975 | 29.4 | 18.3 | 1.6 | 9.5 | 5.0 |
| 1976 | 44.1 | 30.6 | 2.7 | 10.8 | 6.7 |
| 1977 | 63.7 | 44.9 | 6.6 | 12.2 | 8.3 |
| 1978 | 80.8 | 54.4 | 11.9 | 14.5 | 9.1 |
| 1979 | 108.7 | 76.4 | 15.2 | 17.1 | 10.8 |
| 1980 | 130.1 | 93.9 | 16.9 | 19.3 | 11.9 |
| 1981: Q1..... | 134.2 | 97.2 | 17.1 | 19.9 | 12.1 |

SOURCES. GNMA, FHLMC, FmHA, Federal Reserve.

to a concentration of activity in the lower-priced segment of the housing market.

Passthrough securities issued and guaranteed by the Farmers Home Administration (FmHA) also have opened a channel between the bond and mortgage markets. These securities are issued against pools of residential mortgages acquired by FmHA through its rural home loan programs, and many of the loans bear interest rates well below market levels. In recent years, the securities have been sold exclusively to the Federal Financing Bank, and the proceeds of these sales have replenished a revolving fund used by FmHA to acquire additional mortgages. This program thus has been channeling substantial amounts of funds raised by the Treasury into FmHA's subsidized loan programs.

The Federal Home Loan Mortgage Corporation (FHLMC) issues and guarantees passthrough securities backed by pools of unsubsidized conventional residential mortgages. The mortgage pools consist of loans acquired by FHLMC through various purchase programs, primarily from savings and loan associations, and most of the securities are marketed to private investors through a syndicate of securities dealers. FHLMC sets limits on the scope of its passthrough programs, considering its own underwriting capacity and bond market conditions, and in recent periods the level of activity has been relatively low.

Some mortgage passthrough securities have been issued by private institutions against pools of conventional residential mortgages without

the benefit of federal guarantees. Despite the potential for this securities market, in terms of the size of the conventional mortgage market, fewer than 50 institutions have issued private passthrough securities since the first offering in 1977, and the total volume has been less than \$3 billion.

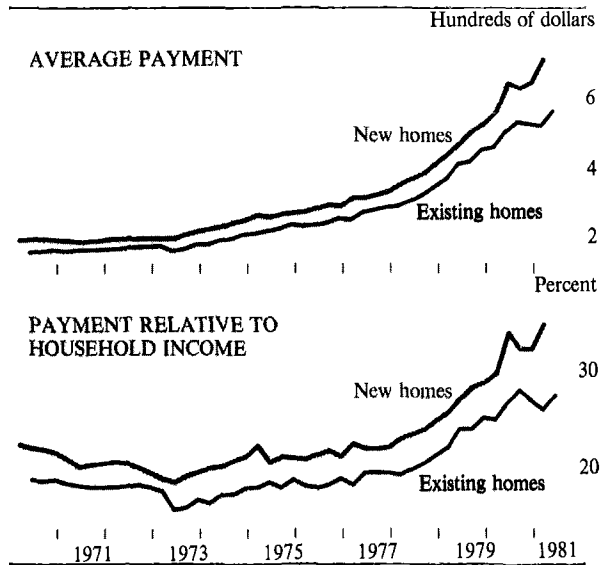
ADJUSTMENTS TO RECORD INTEREST RATES

As the competitive environment has been strengthened, the interest sensitivity of demand for long-term mortgage credit has become a more important determinant of the volume of funds raised in mortgage markets. And rates on construction loans apparently have had more important effects on construction activity as artificial constraints on the availability of funds in the long-term mortgage market have been dismantled. Construction lenders ordinarily require builders to arrange commitments for long-term financing before granting construction credit, and in previous periods the effects of construction loan rates on the volume of construction lending seemingly were swamped by shifts in the availability of commitments for long-term financing.

Changing interest rates may be expected to affect significantly the quantity of permanent home mortgage credit demanded because large, long-term loans are involved and because home purchases often are postponable. Rising nominal interest rates can have a heavy impact on the affordability of mortgage credit, even during inflation when "real" interest rates may be stable or falling; interest rate adjustments associated with upward revisions of price expectations can increase monthly payments on standard level-payment mortgage contracts substantially whereas household income needed to carry the payments may increase only gradually as expected inflation actually develops. As mortgage interest rates have climbed, the ratio of monthly payments on newly originated conventional home mortgages to average disposable income for all households—a rough measure of initial payment burden—has risen considerably (chart 6).

The high interest rates attained in recent years on long-term home mortgages have encouraged governmental units and private market partici-

6. Monthly payments on home mortgages



Average monthly payments on newly originated conventional home mortgages calculated by the Federal Reserve from data reported by the Federal Home Loan Bank Board. Average household income is national disposable personal income, as reported by the Commerce Department, divided by estimates of numbers of households provided annually by Commerce and extrapolated by the Federal Reserve.

pants to devise ways to help prospective borrowers enter the housing markets. Some of these measures, however, have prompted counteractions by the federal government or mortgage holders.

Government Programs

FHA-insured, graduated-payment home mortgages (GPMs), introduced several years ago, are a response of the federal government to the cash-flow problems posed for moderate-income home buyers by high rates of inflation and interest. The GPM provides for lower payments in the early years of the contract and higher payments in the latter years; initial payments are less than accrued mortgage interest and can be as much as a fourth below those on level-payment contracts with the same maturity and interest rate. Since late 1980, however, GPMs have accounted for less than a third of all FHA-insured home mortgages made, down significantly from the shares registered during the two previous years. The decline in the relative importance of GPMs has occurred because higher interest rates, in combination with FHA limitations on the amount by

2. Tax-exempt revenue bonds for housing

Amounts issued in billions of dollars

| Period | Total housing bonds ¹ | Single-family | | | Multifamily | | | Total as percent of all municipal bond issues |
|-----------------------------|----------------------------------|---------------|-------|-------|-------------|-------|-------|---|
| | | Total | State | Local | Total | State | Local | |
| 1975..... | .9 | ... | ... | ... | .9 | .9 | ... | 3 |
| 1976..... | 2.1 | .7 | .7 | ... | 1.4 | 1.4 | ... | 6 |
| 1977..... | 3.8 | 1.0 | 1.0 | ... | 2.9 | 2.6 | .3 | 8 |
| 1978..... | 5.8 | 3.4 | 2.8 | .6 | 2.3 | 1.8 | .7 | 12 |
| 1979..... | 10.5 | 7.8 | 3.3 | 4.5 | 2.7 | 1.9 | .8 | 24 |
| 1980..... | 12.5 | 10.8 | 5.7 | 5.1 | 1.1 | .9 | .2 | 26 |
| 1981: Q1 ² | 3.7 | 2.1 | .8 | 1.3 | .7 | .6 | .1 | 11 |

1. Excluding veterans' housing general-obligation bonds

2. Data for the first quarter of 1981 are expressed at annual rates.

SOURCE: U.S. Department of Housing and Urban Development.

which the outstanding principal balance may rise during the initial years of the loan, have caused substantial increases in downpayment requirements on GPMs with given rates of payment graduation.

State and local governments have taken steps to help borrowers in their areas by channeling funds from tax-exempt securities into the mortgage market. Four-fifths of the states have housing finance agencies that provide mortgage funds at below-market interest rates, and roughly 250 local governments or municipal housing finance agencies have issued single-family mortgage revenue bonds since late 1978 when the first of these securities was floated. In 1980, nearly \$13 billion of tax-exempt housing revenue bonds were issued, accounting for more than a fourth of all municipal bonds sold (table 2).

Private-Sector Initiatives

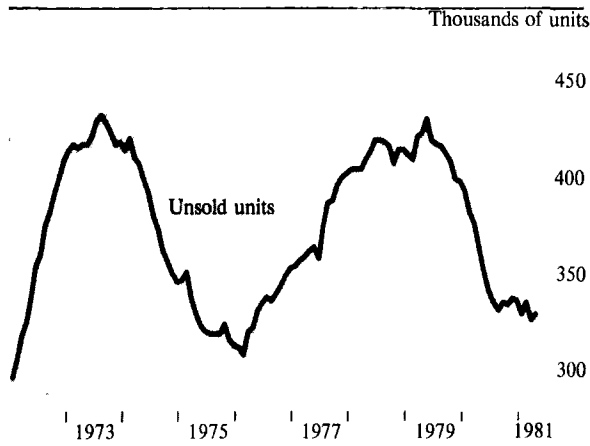
A number of mortgage investors and insurers recently have liberalized their standards on the relation of the monthly loan payment to the borrower's income, permitting more borrowers to qualify for mortgage credit if they are willing to pay market interest rates. As with GPMs, this liberalization relies on the expectation that inflation in home prices and borrower income will ensure adequate loan quality. Some prominent institutions, including FNMA, FHLMC, and some large private mortgage insurance companies, have eased their guidelines, and the practice evidently has been widespread among private lenders.

Sellers of both new and existing homes have expanded their use of techniques designed to make home purchases more affordable. An inno-

vation, employed most often by merchant builders to help sell new homes, is the so-called "buydown" of mortgage interest rates. This device may be viewed as a builder-created GPM, and it has been used by roughly half of the builders who responded to a survey conducted by the National Association of Home Builders in April of this year. Builder buydowns commonly involve the calculation of mortgage payments for the first few years of the loan at a mortgage rate 1 to 3 percentage points below market levels. Builders usually make direct payments to mortgage lenders, corresponding to the amounts by which the early monthly payments of buyers are reduced, and all or part of this amount may be incorporated in the home price and the size of the mortgage. This arrangement, which also counts on inflation to maintain loan quality, provides buyers with more favorable patterns of loan repayment: permits lenders to make loans at going market yields; and can allow builders to control inventory accumulation without cutting home prices, a critical factor particularly in an environment of record high interest rates on construction loans (see chart 7).

"Creative" financing has become even more widespread in the market for existing homes. According to a survey conducted by the National Association of Realtors in April, about half of all resale transactions involved some sort of financing technique other than a new first-mortgage loan from a financial institution. The most common techniques involve the transfer of outstanding low-rate mortgages from home sellers to home buyers, often in combination with seller take-backs of second mortgages or through the creation of "wraparound" mortgages, which encompass the outstanding first mortgage and the amount of additional financing needed by the

7. Home stocks at builders



Merchant-builder stocks of unsold single-family homes are seasonally adjusted end-of-month figures reported by the Census Bureau.

buyer. Such arrangements are attractive to prospective home buyers when the size of the outstanding first mortgage is large and the interest rate on this mortgage is low relative to current market yields, as long as any additional funds needed for the purchase can be raised at reasonable interest rates and for a sufficiently long term. If the various elements constitute a financing package with after-tax monthly payments that are lower than those on a new first mortgage, a prospective home buyer may be willing to pay the seller a premium to assume the outstanding low-rate loan. The seller, in turn, ordinarily will require a price premium, in some cases as compensation for underwriting credit risks or for acquiring a mortgage asset that may not meet his portfolio preferences.

Counteractions

In view of mounting costs to the Treasury, in terms of forgone tax revenues, the federal government put stringent controls on the issuance of tax-exempt, single-family housing bonds at the end of 1980. The federal law sets limits on the volume that may be issued during the 1981–83 period and forbids any issuance thereafter. Moreover, issues will be permitted during the three-year transition period only if certain criteria are met, such as the income position and the previous housing status of the borrower.

The increased incidence of loan assumptions

associated with creative financing in the market for existing homes has caused the rate of turnover of outstanding home mortgages to slow at traditional mortgage lending institutions, reducing supplies of loanable funds and holding down earnings. Consequently, many lenders have attempted to invoke due-on-sale clauses that are incorporated in most outstanding conventional mortgage contracts. This reaction has provoked litigation on behalf of home sellers in a number of states. A third of the states currently restrict the enforcement of due-on-sale clauses, and cases are pending in the courts in some other areas.

The Federal National Mortgage Association (FNMA), which is the single largest holder of residential mortgages, recently took steps to prohibit assumptions of new fixed-rate conventional home loans that it purchases. FNMA also has developed incentive programs designed to encourage borrowers to refinance outstanding low-rate loans and to discourage assumptions of older loans. Some private mortgage holders also have taken such measures in an effort to get old low-rate loans off their books.

ADJUSTMENTS TO GREATER RATE UNCERTAINTY

A system of forward commitments among private and public participants in the mortgage markets has developed over the years, and the relatively new forward and futures markets for federally guaranteed mortgage passthrough securities provide additional risk-management mechanisms that facilitate the orderly operation of mortgage markets. However, the degree of rate volatility since late 1979 has prompted various institutions to make additional adjustments to their commitment and investment policies.

Commitment Policies

Mortgage originators typically have made commitments to provide long-term credit well before the funds are scheduled to be disbursed. These commitments traditionally have specified a rate of interest, and takedown has been at the option of the borrower. During the past year or so, however, many originators have become reluc-

tant to issue this type of option to prospective borrowers. Adjustments generally have involved the imposition of larger nonrefundable commitment fees to discourage cancellations when market rates fall, the shortening of periods over which a stated interest rate on commitments for conventional loans or a given number of points on FHA- or VA-underwritten loans will be guaranteed, or the use of floating rates and discount points tied to some market indicators.

Major purchasers of mortgage loans also have adjusted their policies as interest rate variability has increased, further encouraging the shift of interest rate risks to borrowers. FNMA and dealers in GNMA-guaranteed passthrough securities have become less willing to issue fixed-rate, optional-delivery "standby" commitments. This type of option has become unavailable or more expensive at GNMA dealers during the past year because the ultimate issuers of the standbys (private investors) have become reluctant to enter into such arrangements and because the dealers have been less willing to absorb credit risks on these contracts. At FNMA, a twelve-month fixed-rate standby purchase program has been terminated, and fees charged for four-month

standby commitments issued through the bi-weekly auction procedures have been raised substantially.

Investment Policies

Rate volatility has made it more difficult for investors to predict future interest rates and thus has encouraged them to move away from fixed-rate long-term mortgages toward mortgage contracts with equity participations or with interest rates that vary during the life of the loan. This tendency had been developing for some time as it became clear that expectations of short-term rate movements embodied in long-term mortgage rates agreed to in earlier periods were too low. Statutory or regulatory restrictions on prepayment penalties that may be levied on borrowers who wish to refinance outstanding fixed-rate mortgages, and the legal constraints on enforcement of due-on-sale clauses, have further discouraged investors from acquiring traditional mortgage contracts.

A series of regulatory changes have permitted thrift institutions and commercial banks to offer a

3. Major characteristics of recent federal regulations governing adjustable-rate home mortgage lending

| Major characteristics | Federal savings and loans and mutual savings banks | National banks |
|---|--|--|
| Requirement to offer fixed-rate mortgage instrument to borrower | None | None |
| Limit to amount of ARMs that may be held | None | None |
| Indexes governing mortgage rate adjustments | Any interest rate index that is readily verifiable by the borrower and not under the control of the lender, including national or regional cost-of-funds indexes for S&Ls. | One of three national rate indexes—a long-term mortgage rate, a Treasury bill rate, or a three-year Treasury bond rate. |
| Limit on frequency of rate adjustments | None | Not more often than every six months. |
| Limit on size of periodic rate adjustments | None | 1 percentage point for each six-month period between rate adjustments, and no single rate adjustment may exceed 5 percentage points. |
| Limit on size of total rate adjustment over life of mortgage | None | None |
| Allowable methods of adjustment to rate changes | Any combination of changes in monthly payment, loan term, or principal balance. | Changes in monthly payment or rate of amortization. |
| Limit on amount of negative amortization | No limit, but monthly payments must be adjusted periodically to amortize fully the loan over the remaining term. | Limits are set, and monthly payments must be adjusted periodically to amortize fully the loan over the remaining term. |
| Advance notice of rate adjustments | 30 to 45 days before scheduled adjustment. | 30 to 45 days prior to scheduled adjustments. |
| Prepayment restrictions or charges | None | Prepayment without penalty permitted after notification of first scheduled rate adjustment. |
| Disclosure requirements | Full disclosure of ARM characteristics no later than time of loan application. | Full disclosure of ARM characteristics no later than time of loan application. |

variety of adjustable-rate mortgages (ARMs), and the federal preemption of state mortgage rate ceilings has removed an important practical impediment to ARM expansion. In March 1981, a new regulation was issued to govern conventional ARM lending by national banks, and shortly thereafter revised regulations were approved for federally chartered savings and loan associations and federal mutual savings banks. The current regulations for these types of federally chartered institutions override any state laws or regulations on the subject, and permit large interest rate adjustments as well as a good deal of latitude for negotiation of terms between borrowers and lenders (table 3). The powers of state-chartered depository institutions to offer ARMs vary widely, but only three states prohibit home mortgages with adjustable rates.

Lenders have been inclined to make rate concessions on ARMs to encourage borrowers to accept the greater interest rate risks on these contracts. Yields on mortgages providing for limited rate adjustments every three to five years, which had been the dominant form of ARM immediately before the recent changes in regulations, generally carried interest rates $\frac{1}{2}$ to 1 percentage point below going rates on fixed-rate loans, although spreads as wide as 2 percentage points were evident in some areas. Yield relationships for the more flexible ARMs have not yet been set by the market, but FHLMC and FNMA are likely to help establish industry standards through development of purchase programs for specific types of ARMs.

CHANGING STRUCTURE OF MORTGAGE SUPPLY

The structure of funds supplied to residential mortgage markets, through acquisitions of mortgage loans or passthrough securities, has changed markedly during the current housing downswing—and in ways that differ in some respects from the patterns of past cycles (chart 8). Mortgage acquisitions by the state and local government sector have increased substantially, and participation by private diversified investors, including individuals, has been relatively strong. The market share of the nonbank thrift institutions, on the other hand, has receded to an

unusually low level, and support provided by the federal and related credit agencies has not been so strong as in other recent downswings.

Nonbank Thrift Institutions

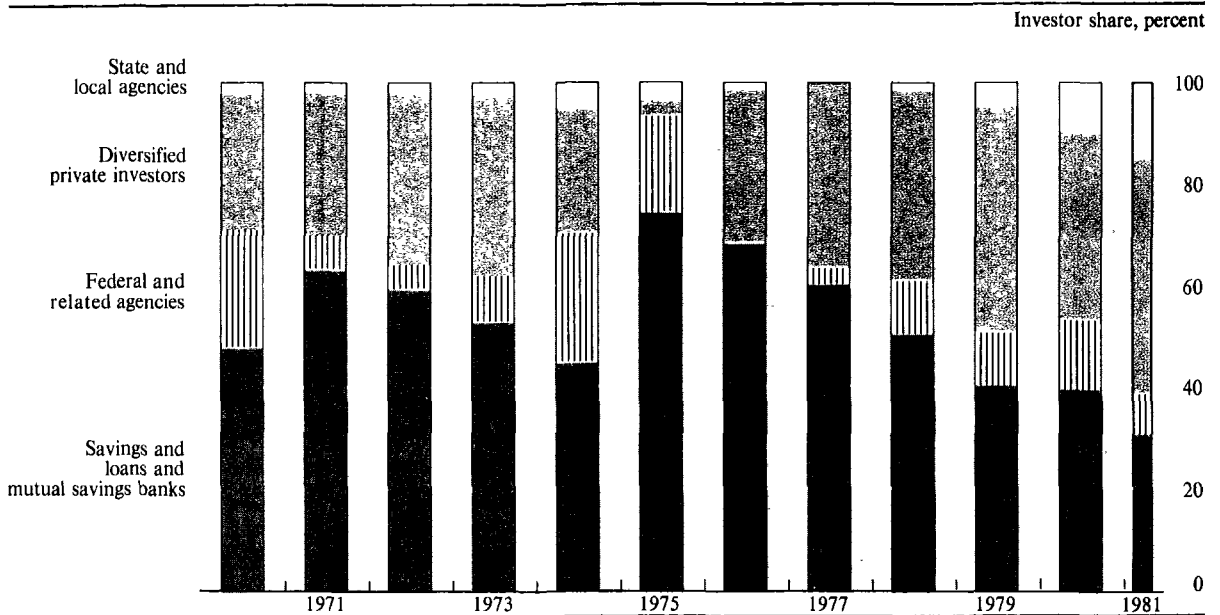
Acquisitions of mortgage assets by thrift institutions have fallen as deposit growth has weakened and mortgage prepayments have slackened because of both declining sales of existing homes and widespread assumptions of outstanding mortgages (chart 9). A marked squeeze on earnings also has occurred at these institutions, encouraging them to move unusually large amounts of funds into short-term nonmortgage assets in order to maximize short-run returns and minimize interest rate risks over the longer term. The federal tax code, of course, encourages thrift institutions to maintain large proportions of their assets in residential mortgage instruments and a few other forms.

Earnings problems at the thrift institutions have stemmed from the structure of their balance sheets in combination with sharply rising market interest rates. The maturity structure of thrift liabilities has shortened considerably in recent years, primarily because of the rapid growth of MMCs. Thrift assets, on the other hand, have remained concentrated in long-term, fixed-rate forms, many of which were acquired when interest rates were much lower; indeed, at the end of 1980, long-term mortgages bearing interest rates below 10 percent accounted for as much as 70 percent of all mortgages held by thrift institutions. Moreover, the institutions have not been able to dispose economically of the seasoned low-rate assets held in their portfolios because sales during periods of high market interest rates require them to book capital losses that are chargeable against current operating income and can cut into capital positions. Net sales of mortgage assets (including passthrough securities) by the savings and loan industry have been small or negative in recent years.

Diversified Private Investors

Markets for federally underwritten passthrough securities offer the investment community mort-

8. Net change in residential mortgage assets by type of holder

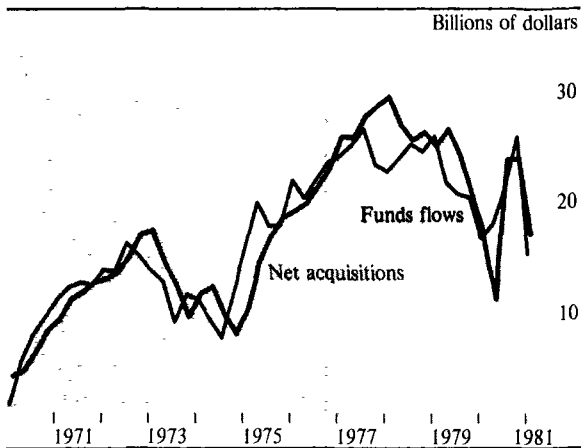


Shares of net change in total residential mortgage debt outstanding, as shown in chart 4. Mortgages in pools backing issues of federally guaranteed passthrough securities have been allocated to the holders

of the securities, based on data reported by the Federal Home Loan Bank Board, the National Association of Mutual Savings Banks, and the Farmers Home Administration.

gage-related instruments of high quality and liquidity that consistently have yielded more than Treasury or agency securities with similar maturities. These securities have appealed to a variety of investors with diversified portfolios, and have

9. Funds flows and acquisitions of mortgage assets at savings and loans



Acquisitions of mortgage loans and passthrough securities are equal to mortgage originations plus net purchases, and funds flows are net deposit flows plus repayments (including prepayments) from mortgages held. Based on data reported by the Federal Home Loan Bank Board and seasonally adjusted by the Federal Reserve.

occupied a fairly steadily growing position in the residential mortgage markets. By early 1980, about three-fourths of the GNMA-guaranteed passthrough securities outstanding were held by private institutions other than the thrift institutions, and diversified investors have been purchasing large shares of the mortgage participation certificates issued and guaranteed by FHLMC. Even so, the pension funds, which have been the major investor target of the federal passthrough programs, have as yet acquired only moderate amounts of these types of securities. The unusual and uncertain cash-flow patterns (which depend upon prepayments of mortgages in the pools) have discouraged many pension funds from participating in the major passthrough markets. A special type of FHLMC passthrough security, with cash-flow features similar to those of bonds and dubbed the guaranteed mortgage certificate, has proved attractive to the pension funds.

The spread between yields on long-term home mortgages and bonds widened in the final years of the 1970s, reflecting strong demands for home mortgage credit at a time when business demands for long-term funds were moderate. This

development had a substantial positive effect on mortgage acquisitions at both commercial banks and life insurance companies. The yield spread has narrowed somewhat during the past year, reducing the relative attractiveness of long-term home mortgage loans. Even so, mortgage acquisitions at banks have been fairly strong in recent periods, as these institutions have moved more funds into high-yielding construction loans. But mortgage activity has contracted sharply at the life insurance companies, reflecting both relative yield movements and a drain on investable funds due to a rise in policy loans.

Federally Related Agencies

Federal programs of mortgage purchases can help to temper cyclical declines in housing markets, particularly when the mortgages are made available to borrowers at below-market interest rates and are held within the federal sector until market conditions improve. In the current downswing, the agencies have supported mortgage markets less vigorously than in other recent declines. FHLMC has adhered to a policy of closely matching purchases of mortgages and resales through issues of passthrough securities, stressing its role in the development of secondary markets for conventional mortgages. Moreover, the administration has not resurrected the so-called GNMA tandem plan for the purchase of low-rate home mortgages that was prominent in the previous housing downswing. Finally, FNMA has been conservative in the issuance of mortgage purchase commitments because its earnings have eroded for the same reason that profitability has declined at the thrift institutions: a preponderance of long-term fixed-rate mortgage assets in combination with liabilities of much shorter maturity.

Loans by the Federal Home Loan Banks to members of the FHLB System (primarily savings and loan associations) traditionally have been made available to ease temporary liquidity problems associated with deposit shortfalls, and in some housing contractions the use of such "advances" to expand mortgage lending also has been encouraged. Savings and loan associations have borrowed rather heavily at the advance

window on several occasions during the current housing contraction, including the first five months of this year; the cost of these funds has been high, however, and the advances generally have been used to meet outstanding mortgage commitments at times of slackening flows of deposits and mortgage repayments. Advances at below-market interest rates were employed during the 1974 downswing to encourage borrowing for mortgage investment, but such a program has not been put in place in the current contraction.

State and Local Governments

Seven-eighths of the nearly \$13 billion in tax-exempt housing bonds issued last year was used to subsidize home mortgage borrowers, and the balance was employed to provide low-rate financing to owners of multifamily projects that also received support under the rental subsidy programs operated by HUD. The proceeds of some housing bond issues have been used to finance low-rate loans to private financial intermediaries that originate and hold low-rate mortgages. But mortgage acquisitions by state and local government agencies also have burgeoned. In 1980, gross acquisitions by these agencies amounted to nearly a tenth of all long-term residential mortgages originated during the year. Mortgage acquisitions by the agencies remained large in the early months of this year, but the volume inevitably will dwindle because of the federal limits placed on bond issues at the end of 1980.



The housing finance system is bound to undergo additional change in coming years because of both public policy measures and private-sector initiatives in an era of financial deregulation. Ceilings on deposit rates are due to be phased out under legislation now in effect, and the Congress has authorized a demonstration program allowing FHA-insured home mortgages to be written at market rates of interest. The removal of deposit-rate controls will further encourage thrift institutions and banks to market the newly au-

thorized adjustable-rate loans unless interest rate uncertainties diminish. Because lenders generally are better able than borrowers to bear interest rate risks, however, fixed-rate loans are likely to remain an important factor in the market.

The additional relaxation of artificial constraints in mortgage markets might further reduce the sensitivity of housing activity to shifts in general credit conditions. More widespread use of ARMs also could change the response of mortgage and housing activity to changes in interest rates. To the extent that ARMs tend to be priced like short-term market instruments, their rates will fluctuate over a wider range than those on fixed-rate loans, making it more difficult for borrowers to meet initial monthly payments

when market rates are high. On the other hand, ARMs might reduce incentives to postpone mortgage borrowing in periods of high interest rates because subsequent rate declines would affect both new and outstanding mortgages.

Federal outlays in support of the housing markets may be limited in coming years, in view of the national sentiment favoring balanced budgets and larger flows of capital to the defense and industrial sectors. The use of tax-exempt securities to subsidize mortgage interest rates also is in disfavor at the federal level, and growth of federal programs to underwrite credit risks on mortgage loans and passthrough securities may be constrained by the new federal credit budget. □

Financial Developments of Bank Holding Companies in 1980

This article was prepared by Anthony G. Cornyn and Thomas L. Zearley of the Board's Division of Banking Supervision and Regulation.

In 1980 bank holding companies were forced to operate in a particularly difficult environment—with unprecedented levels and volatility of interest rates, a sharp but brief recession, and high rates of unemployment and inflation. Yet, on balance, bank holding companies came through this period reasonably well. Earnings continued to expand, although at a somewhat more moderate pace than in recent years. Rates of profitability remained satisfactory, although they also edged moderately lower. And capital ratios, which had been trending down for a decade or so, gained some ground during the year. Some evidence of deterioration in asset quality surfaced, particularly in consumer loan portfolios in which net loan losses rose sharply over levels in 1979.

This article reviews major financial developments of bank holding companies during 1980 and is based on data from the bank holding company financial supplement (form FR Y-9). The sample consists of 409 bank holding companies that had more than \$100 million in fully consolidated assets at year-end 1980.¹ These 409 companies controlled aggregate deposits of \$985.6 billion or about 66.5 percent of the deposits held by U.S. commercial banking institutions. This article presents data for the entire sample of 409 companies (universe) and for three size classes or peer groups: 44 holding companies with more than \$5 billion in assets; 133 with \$1 billion to \$5 billion in assets; and 232 with \$100 million to \$1 billion in assets.

NOTE. Susan Rowe assisted in preparing the tables for this article.

1. As of December 31, 1980, 3,057 registered bank holding companies were in existence.

EARNINGS AND PROFITABILITY

Earnings of bank holding companies continued to expand in 1980, but at a measurably slower pace than in the preceding two years. Aggregate net income before securities transactions of the 409-company universe rose 9.8 percent last year to \$8.5 billion (table 1); growth had been 26.9 percent in 1978 and 20.0 percent in 1979.

Earnings in 1980 were favorably affected by strong gains in both interest income and noninterest income. However, these gains were partially offset by a surge in interest expenses, a significant rise in overhead, and a marked expansion in loan-loss provisions.

While all three peer groups increased earnings during 1980, the gains were not evenly distributed (table 2). The medium-size bank holding companies posted a 14.6 percent increase in earnings—nearly twice the average of the large ones and more than three times that of the small companies. A significant contraction in net inter-

1. Selected income and expense items, 1979 and 1980¹

Amounts in (millions of dollars)

| Item | 1979 | 1980 | Change (percent) |
|---|---------|---------|---------------------|
| Gross interest income ² | 105,871 | 134,338 | 26.9 |
| Gross interest expenses..... | 68,947 | 94,404 | 36.9 |
| Net interest income..... | 36,924 | 39,934 | 8.2 |
| Noninterest income..... | 9,312 | 11,925 | 28.1 |
| Noninterest expenses..... | 27,658 | 32,016 | 15.8 |
| Loan-loss provisions..... | 2,861 | 3,425 | 19.7 |
| Income before taxes..... | 15,718 | 16,418 | 4.5 |
| Taxes..... | 3,095 | 3,108 | .4 |
| Tax equivalent adjustment..... | 4,866 | 4,790 | (1.6) |
| Net income before securities transactions..... | 7,756 | 8,520 | 9.8 |
| Securities gains (losses) ³ | (166) | (337) | .. |
| Net income..... | 7,590 | 8,182 | 7.8 |

1. Universe of 409 bank holding companies. Details may not add to totals because of rounding.

2. Fully taxable equivalent.

3. Includes extraordinary items.

2. Net operating income, 1977-80¹

| Percentage change | | | |
|------------------------------------|---------|---------|---------|
| Size class | 1977-78 | 1978-79 | 1979-80 |
| Universe | 26.9 | 20.0 | 9.8 |
| \$100 million to \$1 billion | 29.2 | 19.8 | 4.7 |
| \$1 billion to \$5 billion | 25.6 | 21.9 | 14.6 |
| \$5 billion or more | 27.3 | 19.4 | 8.6 |

1. Before securities transactions and extraordinary items.

est margins was in large part responsible for the relatively slow earnings growth of the large companies. Several factors, including a sluggish 3.5 percent expansion in net loans and a comparatively sharp rise in loan-loss provisions, adversely affected the earnings of the small companies.

Gross interest revenue (on a fully taxable equivalent basis) of the 409-company universe advanced to \$134.3 billion in 1980, up 26.9 percent from \$105.9 billion in 1979 (table 1). Nevertheless, despite this strong increase in revenue, interest expense rose even faster, climbing from \$68.9 billion in 1979 to \$94.4 billion in 1980, or 36.9 percent. As a result, net interest income for the universe totaled \$39.9 billion, an increase of \$3.0 billion, or 8.2 percent from the level a year earlier.

The rise of 8.2 percent in net interest income in 1980 was the product of expanded asset volume that more than overcame a modest decline in net interest margins. Aggregate assets of the 409-company universe increased 10.3 percent in 1980, while net loans rose 9.9 percent. This growth, however, did not flow entirely through

3. Selected income statement items, 1978-80¹

| Percent of average assets | | | |
|---|-------|-------|-------|
| Item | 1978 | 1979 | 1980 |
| Gross interest income ² | 7.66 | 9.31 | 10.55 |
| Gross interest expenses | 4.49 | 6.06 | 7.42 |
| Net interest margin | 3.18 | 3.25 | 3.14 |
| Noninterest income | .79 | .82 | .94 |
| Noninterest expenses | 2.41 | 2.43 | 2.52 |
| Loan-loss provisions | .27 | .25 | .27 |
| Pretax income | 1.29 | 1.38 | 1.29 |
| Taxes | .29 | .27 | .24 |
| Tax equivalent adjustment | .36 | .43 | .38 |
| Net income before securities transactions | .65 | .68 | .67 |
| Securities gains (losses) ³ | (.01) | (.01) | (.03) |
| Net income | .63 | .67 | .64 |

1. Universe of 409 bank holding companies. Details may not add to totals because of rounding.

2. Fully taxable equivalent.

3. Includes extraordinary items.

to net interest income because of the contraction in margins. Measured in relation to average assets, net interest margins dropped to 3.14 percent in 1980, down 11 basis points from the previous year (table 3).

Especially noteworthy is that last year's slippage in margins was confined mainly to bank holding companies in the large size class (table 4). Margins of these companies plummeted 18 basis points in 1980, while those of the small and medium-size companies rose 12 and 5 basis points respectively. For the most part, the variations in the margin performance in 1980 can be attributed to the lower cost of funds of the small and medium-size companies. The large companies, which tend to rely more heavily on rate-sensitive liabilities, saw funding costs climb 38.3 percent in 1980. In comparison, interest expense rose an average of about 33 percent for both the small and the medium-size companies.

4. Net interest margins, 1979 and 1980¹

| Percent ¹ | | | |
|------------------------------------|------|------|-----------------------|
| Size class | 1979 | 1980 | Change (basis points) |
| Universe | 3.25 | 3.14 | -11 |
| \$100 million to \$1 billion | 4.35 | 4.47 | 12 |
| \$1 billion to \$5 billion | 4.03 | 4.08 | 5 |
| \$5 billion or more | 2.87 | 2.69 | -18 |

1. Taxable equivalent net interest income divided by average assets.

Excellent growth in trading account profits, lease financing revenues, and other income pushed noninterest income up 28.1 percent in 1980 to \$11.9 billion for the universe. Last year's increase was considerably higher than the rate of asset expansion, and so noninterest income rose to 0.94 percent of average assets in 1980, from 0.82 percent in 1979.

All three peer groups of bank holding companies reported gains in noninterest income. However, the strongest gains were generally posted by the large companies, many of which enjoyed sizable increases in their foreign exchange revenues and loan fees.

On the other side of the ledger, noninterest expenses (excluding loan-loss provisions) totaled \$32.0 billion in 1980, up 15.8 percent from \$27.7 billion in 1979. This rise in overhead, which

largely reflects inflationary forces in the economy, measurably outpaced asset expansion. As a result, noninterest expenses as a percent of average assets moved from 2.43 percent in 1979 to 2.52 percent in 1980.

All three peer groups experienced strong growth in overhead during 1980. While year-to-year increases by bank holding companies in the large size class averaged 16.8 percent, those of the small and medium size class averaged 14.3 percent and 13.7 percent respectively.

Reflecting uncertainty about credit quality, provisions for loan losses for the universe jumped 19.7 percent to \$3.4 billion in 1980, up from \$2.9 billion in 1979. In proportion to average assets, loan-loss provisions rose from 0.25 percent in 1979 to 0.27 percent in 1980. The increase in provisions was prompted also by a sharp rise in net charge-offs. For the universe, net loan charge-offs advanced 39.3 percent in 1980 to \$2.7 billion, up from \$1.9 billion in the previous year. Sizable write-downs of several large corporate credits and a dramatic rise in consumer loan defaults contributed to the increase in net charge-offs. Problems in the consumer credit area were due in part to higher unemployment and heavier debt service burdens and in part to the recently liberalized personal bankruptcy laws.

Sharp increases in loan-loss provisions were largely confined to the small and large bank holding companies in the universe. While loan-loss provisions rose an average of only 12.1 percent in 1980 for companies ranging in size from \$1 billion to \$5 billion, they increased 27.4 percent for those organizations with assets from \$100 million to \$1 billion. For those with assets in excess of \$5 billion, provisions grew 21.7 percent in 1980.

On a fully taxable equivalent basis, before-tax income for the universe totaled \$16.4 billion in 1980, up 4.5 percent from \$15.7 billion the previous year. Reducing this figure by income taxes and the tax-equivalent adjustment—to reverse the earlier grossing up of tax benefits related to tax-exempt revenues—resulted in net income before securities transactions of \$8.5 billion in 1980, which was 9.8 percent higher than the \$7.8 billion in 1979. After deducting securities losses and extraordinary items of \$337 million in 1980 (compared with \$166 million in 1979), net income

5. Net return on average assets, 1978–80¹

| Percent | | | |
|------------------------------------|------|------|------|
| Size class | 1978 | 1979 | 1980 |
| Universe | .65 | .68 | .67 |
| \$100 million to \$1 billion | .79 | .86 | .83 |
| \$1 billion to \$5 billion | .75 | .83 | .86 |
| \$5 billion or more | .59 | .61 | .59 |

1. Net income before securities transactions and extraordinary items divided by average assets.

equaled \$8.2 billion, up 7.8 percent from \$7.6 billion in 1979.

Despite the moderation in earnings growth, profitability remained relatively stable. Between 1979 and 1980, the return on average assets for the universe decreased just 1 basis point, from 0.68 percent to 0.67 percent. Return on equity also declined slightly, dropping from 14.7 percent in 1979 to 14.4 percent in 1980.

Slippage in profitability was generally concentrated among bank holding companies in the small and large size classes (tables 5 and 6). Indeed, while these two classes experienced declines in return both on assets and on equity, the medium size class posted gains. Of the three peer groups, the medium-size and small companies continued to earn substantially higher returns on assets in 1980. However, because they are more highly leveraged, the large banking organizations produced higher returns on equity.

6. Net return on average equity, 1978–80¹

| Percent | | | |
|------------------------------------|------|------|------|
| Size class | 1978 | 1979 | 1980 |
| Universe | 13.6 | 14.7 | 14.4 |
| \$100 million to \$1 billion | 12.9 | 13.9 | 13.1 |
| \$1 billion to \$5 billion | 12.8 | 14.0 | 14.4 |
| \$5 billion or more | 13.9 | 14.9 | 14.5 |

1. Net income before securities transactions and extraordinary items divided by average equity.

BALANCE-SHEET CHANGES

After several years of strong growth, the rate of asset expansion of the 409-company universe subsided somewhat in 1980. This slowing reflected the impact of the Federal Reserve's credit restraint program, the slowdown in economic activity, and the tightening of credit markets, all of which acted to dampen loan demand. Aggregate consolidated assets of the universe expand-

ed 10.3 percent in 1980, compared with growth rates of 13.8 percent in each of the two preceding years. Among the three size classes, the total assets of the small companies increased 8.9 percent during the year, slightly below the growth rates of the companies in the larger-size groups.

Turbulent money and credit conditions characterized by unprecedented interest rate volatility in 1980 resulted in changes in the asset and liability composition of bank holding company balance sheets (table 7). In general, companies continued to realign their balance sheets in the direction of assets and liabilities with shorter maturities and greater interest-rate sensitivity. On the asset side, holdings of money market instruments and investment securities increased as a percentage of total assets, while non-interest-bearing cash balances and net loans outstanding were pared back in relation to total assets. On the liability side, dependence on deposits as a source of funds decreased, while costlier nondeposit liabilities, including federal funds purchased, commercial paper, and borrowings with an original maturity in excess of one year, increased relative to total footings.

One change in asset composition over the year

was the decline in non-interest-bearing cash balances as a percentage of total assets. The opportunity cost of maintaining these balances increased as interest rates rose and, consequently, banking institutions moved to curb their growth. At year-end 1980, non-interest-bearing cash balances of the 409-company universe amounted to 10.7 percent of aggregate assets, down from 11.7 percent as of December 31, 1979, and 12.5 percent a year earlier.

The percentage of assets allocated to money market instruments reached 13.2 percent by year-end 1980, up from 12.8 percent at the end of 1979. (Money market instruments were defined to include interest-bearing cash balances with other depository institutions, trading account securities, federal funds sold, and securities purchased under agreements to resell.) As shown in table 7, the large bank holding companies continued to hold a significantly greater share of their assets in money market instruments than the small companies. For example, companies in the large size class held an average of 14.8 percent of their assets in money market instruments at year-end 1980, compared with 8.2 percent for those in the small size class.

7. Selected balance-sheet items, year-end 1979 and 1980

Percent of total assets

| Item | Size class | | | | | | | |
|---|---------------------|-------|-------------------------|-------|---------------------------|-------|----------|-------|
| | \$5 billion or more | | \$1 billion-\$5 billion | | \$100 million-\$1 billion | | Universe | |
| | 1979 | 1980 | 1979 | 1980 | 1979 | 1980 | 1979 | 1980 |
| Cash (excluding interest-bearing deposits) | 11.7 | 10.6 | 12.2 | 11.4 | 10.4 | 9.1 | 11.7 | 10.7 |
| Money market investments ¹ | 14.9 | 14.8 | 8.3 | 9.9 | 6.1 | 8.2 | 12.8 | 13.2 |
| Investment securities | 9.3 | 9.3 | 19.3 | 20.1 | 23.3 | 25.0 | 12.5 | 12.8 |
| Loans and leases, net | 56.6 | 57.4 | 55.4 | 53.2 | 55.9 | 53.2 | 56.3 | 56.2 |
| Premises and equipment | 1.0 | 1.0 | 1.9 | 1.9 | 2.2 | 2.2 | 1.3 | 1.3 |
| Other real estate | .1 | .1 | .2 | .2 | .2 | .2 | .2 | .1 |
| Other assets | 6.4 | 6.8 | 2.7 | 3.3 | 1.9 | 2.1 | 5.2 | 5.6 |
| Total assets | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Demand deposits | 20.2 | 18.3 | 30.0 | 27.9 | 29.8 | 27.4 | 23.1 | 21.1 |
| Time deposits in denominations of \$100,000 or more | 11.3 | 13.2 | 13.0 | 13.4 | 12.6 | 13.8 | 11.8 | 13.3 |
| Other time deposits | 5.6 | 6.3 | 16.0 | 18.3 | 21.3 | 23.7 | 9.0 | 10.3 |
| Savings deposits | 6.2 | 5.5 | 15.1 | 13.9 | 19.2 | 17.2 | 9.1 | 8.2 |
| Foreign deposits | 30.1 | 28.8 | 3.3 | 3.0 | .1 | .1 | 21.9 | 20.9 |
| Total deposits | 73.4 | 72.1 | 77.4 | 76.5 | 83.0 | 82.2 | 74.9 | 73.8 |
| Short-term borrowings ² | 13.5 | 14.4 | 12.0 | 12.6 | 7.2 | 8.0 | 12.7 | 13.6 |
| Long-term borrowings | 2.1 | 2.2 | 2.0 | 1.9 | 1.8 | 1.7 | 2.1 | 2.1 |
| Other liabilities | 7.0 | 7.2 | 2.7 | 2.9 | 1.6 | 1.5 | 5.6 | 5.8 |
| Stockholders' equity ³ | 4.0 | 4.1 | 5.9 | 6.0 | 6.4 | 6.5 | 4.6 | 4.7 |
| Total liabilities and stockholders' equity | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

1. Includes interest-bearing cash balances with other depository institutions, trading account securities, and federal funds sold and securities purchased under agreements to resell.

2. Includes commercial paper, federal funds purchased, securities

sold under agreements to repurchase, and other borrowings with an original maturity of one year or less.

3. Includes minority interest in the equity accounts of consolidated subsidiaries.

short-term borrowed funds tends to be related to asset size. On average, companies in the large size class support 14.4 percent of their assets with short-term borrowings, compared with the 12.6 percent average of the medium size class and 8.0 percent for the small size class.

The total volume of medium- and long-term borrowings of the 409 bank holding companies at year-end 1980 was \$28.5 billion, up \$3.6 billion, or 14.5 percent, from the end of the previous year. The volume of medium- and long-term debt outstanding at the 409 companies amounted to 2.1 percent of assets as of year-end 1980, unchanged from that of a year earlier. Although not shown in the table, the volume of intermediate-term funding increased significantly during the year as the forbidding interest rate levels in early and late 1980 discouraged longer-term funding.

CAPITAL

Some progress was made in strengthening capital during 1980. The composite ratio of equity to total assets of the 409-company universe was 4.69 percent at year-end 1980, up from 4.63 percent at the end of the previous year. Similarly, the ratio of equity to risk assets (total assets less cash and U.S. government securities) increased from 6.30 percent to 6.37 percent over the 12 months ending December 31, 1980. The improvement in capital ratios was shared by each of the three size classes (table 9).

The increase in capital ratios was the result of both a modest increase in the rate of equity growth over that experienced in 1979 and a more pronounced slowdown in the rate of asset growth. On an aggregate basis, the total equity of

the universe increased 11.9 percent in 1980, outpacing the 10.3 percent increase in total assets.

Although earnings retention remained the predominant source of equity growth, several offerings of preferred and common stock were made during the year. Companies in the universe raised in excess of \$340 million in preferred stock and \$160 million in common stock in 1980. With stocks selling at depressed multiples of price to earnings and price to book value throughout 1980, most banking institutions continued to view common stock financing as unattractive. The attractiveness of preferred stock financing also diminished toward the close of the year as the yields demanded by the investors on preferred stock climbed steadily in the fourth quarter.

LOAN CHARGE-OFFS

Net loan charge-offs of the 409-company universe rose 39.3 percent in 1980 to \$2.7 billion, compared with \$1.9 billion in 1979. As noted earlier, this surge in loan losses reflected sizable write-downs of several large corporate credits and a sharp increase in consumer loan defaults. The composite ratio of net loan losses to average loans outstanding, which had been trending down since 1975, moved up to 0.38 percent in 1980 from 0.31 percent in 1979 (table 10). Among the three peer groups, the large companies reported the lowest level of net charge-offs to average loans for the year, 0.36 percent, while the small and medium-size companies reported loss ratios of 0.45 percent and 0.43 percent respectively. Aggregate net charge-offs for 1980 amounted to

9. Selected capital ratios, year-end 1978-80

Percent

| Size class | Equity to assets ¹ | | | Equity to risk assets ² | | |
|-----------------------------------|-------------------------------|------|------|------------------------------------|------|------|
| | 1978 | 1979 | 1980 | 1978 | 1979 | 1980 |
| Universe..... | 4.73 | 4.63 | 4.69 | 6.49 | 6.30 | 6.37 |
| \$100 million to \$1 billion..... | 6.27 | 6.42 | 6.51 | 8.19 | 8.32 | 8.63 |
| \$1 billion to \$5 billion..... | 5.92 | 5.95 | 6.02 | 7.92 | 7.93 | 8.07 |
| \$5 billion or more..... | 4.16 | 4.02 | 4.08 | 5.81 | 5.57 | 5.58 |

1. Total stockholders' equity plus minority interest in consolidated subsidiaries divided by total assets.

2. Total stockholders' equity plus minority interest in consolidated

subsidiaries divided by total assets less cash and due from depository institutions, U.S. Treasury securities, and obligations of U.S. government agencies and corporations.

10. Net loan losses to average loans outstanding,
1978-80
Percent

| Size class | 1978 | 1979 | 1980 |
|------------------------------------|------|------|------|
| Universe | .35 | .31 | .38 |
| \$100 million to \$1 billion | .38 | .34 | .45 |
| \$1 billion to \$5 billion | .40 | .38 | .43 |
| \$5 billion or more | .33 | .28 | .36 |

3.9 percent of total equity plus reserves for loan losses, compared with 3.1 percent in 1979.

At year-end 1980, the allowance for possible losses of the 409-company universe stood at \$7.6 billion or 1.0 percent of average gross loans outstanding. This allowance or "reserve" for

possible losses has remained at 1.0 percent of gross loans over the past several years.

CONCLUSION

Against the backdrop of considerable turbulence in the money and credit markets, the performance of the nation's largest bank holding companies in 1980 was generally satisfactory. Earnings continued to advance, profitability remained intact, and capital ratios gained ground. The difficult economic environment, however, resulted in some deterioration in asset quality as evidenced by a sharp rise in loan charge-offs. □

Financial Performance of Small Banks, 1977–80

Roger T. Cole of the Division of Banking Supervision and Regulation prepared this article.¹

How well have small banks coped with significant change and some adversity in the period from 1977 through 1980? Among the changes faced by small banks were deposit deregulation, high and volatile interest rates, increasing competition from other banks and from thrift and nondepository institutions, and the possibility of deteriorating asset quality because of sluggish economic conditions and new bankruptcy laws.

PROFILE OF SMALL BANKS

This study assesses the recent financial performance of small banks, which are defined as commercial banks with total assets of less than \$100 million.² These institutions are an important part of the commercial banking system, especially in certain geographic regions.

At year-end 1980, the 12,735 institutions defined as small banks had total assets of \$356.2 billion, or 19 percent of the total assets held by all insured commercial banks. Small banks reported net income of \$4 billion in 1980, or 29 percent of the earnings of the commercial banking system.

Almost 63 percent of small banks are located outside the standard metropolitan statistical areas (SMSAs) and hold assets of \$199.2 billion, or 56 percent of total small-bank assets. Eighty-two percent of all small banks are concentrated in six

Federal Reserve Districts. The Chicago District (19 percent) and the Kansas City District (17 percent) have the greatest concentrations, with the Atlanta, St. Louis, Minneapolis, and Dallas Districts accounting for the remainder. Illinois, Minnesota, and Texas are home states for about one-fourth of the banks.

PROFITABILITY

The aggregate net income of small banks increased each year during the 1977–80 period, from \$2.85 billion in 1977 to \$4.01 billion in 1980. This increase in net income consistently outpaced the growth of assets at small banks. As a consequence, return on assets rose steadily from 0.98 percent in 1977 to 1.19 percent in 1980 (table 1), an improvement substantially better than the increase for larger banks—from 0.63 to 0.70 percent over the same period.

Underlying the improved profitability of small banks was the increase in gross interest earned on assets. High average interest rates provided an opportunity to increase yields on interest-earning assets. Small banks were able to take advantage of this opportunity because of their relatively large holdings of assets with moderately short-term maturities. As a result, gross interest earned on their assets increased from 7.16 percent in 1977 to 9.68 percent in 1980.

Higher funding costs partially offset the increased interest revenue. One reason for the rise in funding costs is that banking customers are becoming more rate conscious and, consequently, are shifting funds from demand deposits and other sources substantially below market rates to instruments paying closer to market rates. Second, market rates have moved upward. Largely because of such factors, interest expense as a percent of assets increased from 3.43 percent in 1977 to 5.37 percent in 1980.

1. Barbara Opper and Nancy Pittman developed the data base, and Susan Rowe and Mary McLaughlin provided research assistance.

2. See footnote 1 to table 1 for the exact definition of small banks used to develop the financial data base. The profile data include new banks. The financial data base excludes new banks because the influence of new-bank formations is not considered to be part of the trends for the financial condition of the established industry.

Income and expense items as a percent of average total assets, insured small commercial banks, 1977-80¹

| Item | 1977 | 1978 | 1979 | 1980 |
|---|-------|-------|-------|-------|
| Gross interest earned | 7.16 | 7.61 | 8.46 | 9.68 |
| Gross interest expense | 3.43 | 3.65 | 4.27 | 5.37 |
| Net interest margin | 3.74 | 3.96 | 4.19 | 4.32 |
| Noninterest revenue | .51 | .53 | .59 | .63 |
| Loan-loss provision | .22 | .25 | .24 | .26 |
| Other noninterest expense | 2.85 | 2.91 | 3.01 | 3.11 |
| Income before tax | 1.18 | 1.34 | 1.52 | 1.57 |
| Tax ² | .22 | .29 | .34 | .36 |
| Net operating income | .95 | 1.05 | 1.18 | 1.21 |
| Other (net of taxes) ³ | .03 | -.01 | -.03 | -.02 |
| Net income | .98 | 1.04 | 1.15 | 1.19 |
| MEMO | | | | |
| Taxable equivalent interest margin ⁴ | 4.28 | 4.50 | 4.73 | 4.89 |
| Average assets (billions of dollars) | 291.4 | 308.7 | 321.4 | 337.8 |

1. Small banks include all commercial banks located in the United States that are insured by the Federal Deposit Insurance Corporation (FDIC) and that have total assets of less than \$100 million at year-end and exclude new banks (defined as banks formed during each year). Average assets are fully consolidated and net of loan-loss reserves; averages are based on amounts outstanding at the beginning and end of each year. Ratios are calculated as the ratio of aggregate data.

2. Includes all tax liabilities or credits estimated to be due on income before tax.

3. Includes securities and extraordinary gains or losses (-) after taxes.

4. The taxable equivalent adjustment is approximated by increasing income from state and local obligations by $(1/(1-t)) - 1$ times the interest earned on state and local obligations. For 1977 and 1978, t is assumed to be 0.48; and for 1979 and 1980, it is assumed to be 0.46.

NOTE: The data in this table, as well as in tables 4 and 5, are similar to information for all banks in Barbara Negri Oppen, "Profitability of Insured Commercial Banks, 1979," FEDERAL RESERVE BULLETIN, vol. 66 (September 1980), pp. 691-706. Industry data for 1980 will appear in a forthcoming BULLETIN.

The net interest income data (table 1) reflect the net effect of increasing interest revenue and expenses. Because the increase in interest earned has outpaced the increase in interest expense, net interest income as a percent of assets (net interest margin) has steadily improved. From 1977 through 1980, the net interest margin increased from 3.74 to 4.32 percent.

Although small banks have benefited recently from improved net interest margins, differences in the growth rates of gross interest earned and gross interest expenses provide a warning for the future. In particular, during the four-year period from 1977 through 1980, gross interest earned grew at a compound rate of 10.6 percent, whereas gross interest expense grew on a much smaller base at a substantially faster rate of 16.1 percent. For the near term, the smaller growth in interest earned on a much larger dollar base is likely to continue to absorb the more rapid increase in interest expense on a smaller dollar base.

In addition to the improved interest margins, small banks have also experienced steady growth in noninterest revenues such as service charges on deposit accounts. Apparently, many small banks have taken advantage of various opportunities to offer more services or to raise the service charges for existing services. As a result, over the four-year period, noninterest revenue as a percent of assets increased 12 basis points to 0.63 percent (table 1).

Fairly steady and moderate loan-loss provisions also have contributed to solid earnings performance. The loan-loss provision as a percent of assets ranged from 0.22 percent in 1977 to 0.26 percent in 1980. This range was consistent with the satisfactory asset quality experienced during 1977-79. As discussed later, the higher loan-loss provision in 1980 indicates some deterioration in asset quality that could have an adverse impact on earnings in the near term.

Other factors adversely affecting earnings include higher noninterest expenses and tax provisions. Noninterest expenses increased from 2.85 percent to 3.11 percent of assets between 1977 and 1980. Contributing to this rise were higher salaries and employee benefits, which were 51.8 percent of 1980 noninterest expense and grew more rapidly than assets from 1977 to 1980.³ Over the same period, the increase in taxable income was largely responsible for an increase of 14 basis points in tax expense to 0.36 percent of assets. In combination, the rise in these two expense categories reduced the 61-basis-point improvement in the other components of return on assets by two-thirds.

The steady growth in return on assets to 1.19 percent in 1980 has permitted small banks to reduce leverage while improving return on equity. The interrelation among these three ratios is presented as an equation in table 2. Over the four-year period, leverage, measured as average total assets to average shareholders' equity, declined from 12.67 to 12.01. Although each dollar of equity supported fewer assets, the greater return on assets more than offset the effect of reduced leverage. Therefore, return on equity increased from 12.43 percent in 1977 to 14.27 percent in 1980.

3. Employee compensation grew at an 8.5 percent compound rate from 1977 to 1980, whereas average assets grew at a 5.0 percent compound rate.

2. Earnings, leverage, and profitability ratios, insured small commercial banks, 1977-80¹

| Ratio | 1977 | 1978 | 1979 | 1980 |
|---------------------------------------|-------|-------|-------|-------|
| Return on assets (percent) | .98 | 1.04 | 1.15 | 1.19 |
| <i>times</i> | | | | |
| Assets to equity (leverage) | 12.67 | 12.64 | 12.37 | 12.01 |
| <i>equals</i> | | | | |
| Return on equity (percent) | 12.43 | 13.13 | 14.25 | 14.27 |

1. See note 1 to table 1. Equity and assets are average. Return is bottom-line net income. Rounding error causes slight variations.

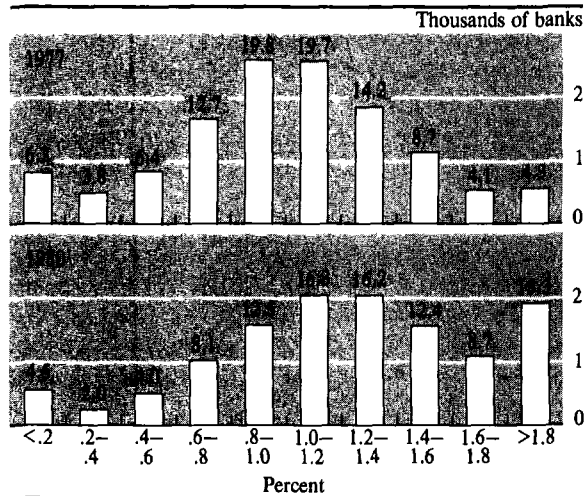
In considering the sound earnings performance of small banks in the aggregate, the extremely good performance of a group of small banks could be masking an increase in the number of problem situations. In order to address this type of concern, frequency distributions for return on average assets were calculated. The histograms of these distributions for 1977 and 1980 show a discernible improvement in the overall distributions (chart 1). The proportion of small banks with a return on assets of less than 0.6 percent decreased from 16.4 percent in 1977 to 10.5 percent in 1980.⁴ At the upper end of the scale, those reporting returns greater than 1 percent increased from 51.0 percent in 1977 to 68.9 percent in 1980.

ASSET QUALITY

Asset quality is an important but illusive aspect of financial performance. Eventually, deteriorating asset quality surfaces as increased loan-loss provisions and net loan losses. As already noted, the loan-loss provision as a percent of assets moved upward in 1980 from a fairly steady level for the previous three years. It also increased as a percent of average loans (table 3). The loan-loss provision rose more as a percent of loans than as a percent of assets because of a reduction in the ratio of loans to assets (table 4). These

4. The proportion of small banks with losses over the four-year period was 4.31 percent (560) in 1977, 3.43 percent (429) in 1978, 2.73 percent (344) in 1979, and 2.97 percent (372) in 1980. Small banks exclude new banks, which among other atypical characteristics usually operate at a loss initially.

1. Return on assets, insured small commercial banks, 1977 and 1980



Small banks include all FDIC-insured commercial banks located in the United States with total assets of less than \$100 million at year-end and exclude new banks. Return on assets is net income to average total assets. Figure above bar is the percent of total number of banks.

increases in loan provision ratios in 1980 are an indication that asset quality may be deteriorating. Another indication is a jump in net loan charge-offs as a percent of average loans to 0.40 percent in 1980 from the prior three-year average of 0.32 percent.

3. Loan-quality ratios, insured small commercial banks, 1977-80¹

| Ratio | 1977 | 1978 | 1979 | 1980 |
|--|------|------|------|------|
| Net loan losses as a percent of average loans | .33 | .32 | .32 | .40 |
| Loan-loss provision as a percent of average loans | .41 | .44 | .43 | .48 |
| Loan-loss reserves as a percent of loans (year-end) ² | .91 | .90 | .93 | .97 |

1. See note 1 to table 1. Loans exclude unearned income and include loan valuation reserves.

2. Loan-loss reserves include only the loan valuation portion.

Several reasons for deteriorating asset quality are possible. One is the sharp economic downturn in the second quarter of 1980 and continuing sluggishness in several key economic sectors. Another is high average interest rates: these high rates contribute to lending problems because some borrowers lack the ability either to pass along or to absorb increased funding costs. A third is more lenient bankruptcy laws, which

4. Portfolio composition as a percent of total assets, insured small commercial banks, 1977-80¹

| Portfolio composition | 1977 | 1978 | 1979 | 1980 |
|---|------|------|------|------|
| Interest-earning assets ² | 87.7 | 88.8 | 88.7 | 89.4 |
| Total loans (excluding unearned income)..... | 54.4 | 56.9 | 56.2 | 52.8 |
| Real estate..... | 18.2 | 19.6 | 19.6 | 18.5 |
| Agricultural ³ | 8.1 | 8.3 | 8.4 | 7.9 |
| Commercial and industrial..... | 11.9 | 12.2 | 12.1 | 12.1 |
| Consumer..... | 16.8 | 17.4 | 16.9 | 14.7 |
| Other..... | 1.4 | 1.4 | 1.4 | 1.4 |
| Unearned income on above items..... | 1.9 | 2.0 | 2.0 | 1.8 |
| Securities..... | 29.1 | 27.9 | 26.8 | 29.4 |
| U.S. Treasury..... | 10.7 | 9.5 | 8.8 | 10.0 |
| U.S. government agencies..... | 5.3 | 5.4 | 5.6 | 6.9 |
| State and political subdivisions..... | 12.4 | 12.4 | 11.9 | 11.9 |
| Other bonds and stock..... | .7 | .6 | .5 | .5 |
| Gross federal funds sold and reverse RPs..... | 4.2 | 3.4 | 4.9 | 5.7 |
| Interest-bearing deposits..... | 0 | .8 | .9 | 1.7 |

1. Small banks include all FDIC-insured commercial banks located in the United States with total assets of less than \$100 million at year-end and exclude new banks.

2. Percentages are based on the end-of-year aggregate data.

3. Includes real estate loans secured by farmland.

may be reducing the incentive of some borrowers "to stick it out."

In spite of the increase in net charge-offs in 1980, the loan-loss provision exceeded the actual net charge-offs. As a result, the loan-loss reserves as a percent of loans reached a four-year high of 0.97 percent (table 3).

BALANCE-SHEET TRENDS

Liability composition changed substantially from 1977 through 1980, particularly shifts to more expensive funding sources, as table 5 shows. Demand deposits have declined at an accelerating rate from 31.2 percent of assets at year-end 1977 to 26.1 percent at year-end 1980. Over the same period, regular savings deposits declined from 25.0 percent to 17.5 percent. In contrast, comparatively costly money market certificates increased from zero at year-end 1977 to 12.9 percent in 1979, and then jumped to 20.4 percent at year-end 1980.

In considering why these changes in liability composition are now taking place, two reasons stand out. First, high interest rates have created a general awareness that much higher yields are available than those offered on traditional depos-

it instruments. Second, the success of near-bank competition, such as money market funds, in availing bank customers with the opportunity to earn higher yields has forced the banking industry also to provide deposit alternatives more closely aligned with market rates. One indication that many bank customers are highly rate conscious is the dramatic increase in the volume of money market certificates since their inception in 1977.

Among small banks, asset composition has changed much less than liability composition. From year-end 1977 through 1980, the proportion of total loans to assets decreased from 54.4 percent to 52.8 percent. Change in the composition of loans was primarily limited to a decrease in consumer lending. Over the same period, the proportion of total securities to assets decreased and then rebounded to slightly above the 1977 level as a result of increases in the proportions of U.S. Treasury and government agency securities.

Also, indications are that small banks are shifting to greater use of short-term, rate-sensitive assets. In particular, holdings of short-term placements (federal funds sold, reverse repurchase agreements, and interest-bearing deposits) have increased from 4.2 percent of assets at year-end 1977 to 7.4 percent at year-end 1980.

Although only sketchy data are available with regard to the asset maturity composition of small

5. Liability composition as a percent of total assets, insured small commercial banks, 1977-80¹

| Liability composition | 1977 | 1978 | 1979 | 1980 |
|--|--------|--------|--------|--------|
| Financial claims..... | 91.2 | 91.1 | 90.8 | 90.3 |
| Demand deposits..... | 31.2 | 30.1 | 28.8 | 26.1 |
| Interest-bearing claims..... | 60.0 | 61.0 | 62.0 | 64.3 |
| Savings deposits..... | 25.0 | 23.6 | 19.8 | 17.5 |
| NOWs and ATSS ² | 0 | .3 | .6 | 1.2 |
| Time deposits..... | 33.9 | 35.6 | 40.4 | 45.0 |
| Large time..... | 7.9 | 8.8 | 9.4 | 9.8 |
| MMCs ² | 0 | 2.6 | 12.9 | 20.4 |
| Subordinated notes and debentures..... | .2 | .2 | .2 | .2 |
| Gross federal funds purchased and RPs ² | .8 | 1.0 | 1.0 | 1.1 |
| Other borrowings..... | .1 | .5 | .5 | .5 |
| MEMO | | | | |
| Year-end total assets (billions of dollars).... | 309.7 | 325.0 | 337.9 | 354.4 |
| Number of institutions.... | 13,006 | 12,841 | 12,612 | 12,527 |

1. See notes 1 and 2 to table 4.

2. NOWs are negotiable orders of withdrawal; ATSS are savings deposits authorized for automatic transfer; MMCs are money market time deposits in denominations of \$10,000 but less than \$100,000 with original maturities of 26 weeks; and RPs are repurchase agreements.

banks, the sharp increase in asset yields in the last several years suggests that small banks have been able to benefit from rising rates as a result of a moderately short-term maturity or variable-rate asset structure. Unlike the thrift institutions, aggregate holdings of real estate loans, most of which are fixed rate and long term, accounted for less than one-fifth of the assets at small commercial banks at year-end 1980.

CAPITAL TRENDS

Capital ratios for small banks have increased steadily over the four-year period. Measured in terms of the traditional equity as a percent of total assets, the average capital ratio for the group rose 57 basis points to 8.39 percent (table 6). Furthermore, the risk-asset ratio proxy of equity plus reserves as a percent of loans has also increased. In comparison, the increase in capital ratios was less for banks in asset size classes up to \$1 billion. For banks with assets of more than \$1 billion, equity as a percent of assets declined 27 basis points to 4.55 percent.

6. Capital ratio trends, insured small commercial banks, year-end, 1977-80¹

| Ratio | 1977 | 1978 | 1979 | 1980 |
|---|-------|-------|-------|-------|
| Equity as a percent of total assets (year-end) | 7.82 | 7.95 | 8.16 | 8.39 |
| Equity plus valuation reserves as a percent of loans (year-end) | 15.30 | 14.90 | 15.46 | 16.91 |

1. See notes 1 and 2 to table 4.
 2. Loans exclude unearned income and include loan valuation reserves.

The higher capital ratios at small banks are primarily a result of the growth of equity generated from retained earnings exceeding the growth in assets. Over the four-year period, the average annual internal equity growth of 10.02 percent outpaced the average annual asset growth of 5.41 percent.

The interrelation between internal equity growth and its components is presented as an equation in table 7. From 1977 to 1980, the internal equity growth rate increased 132 basis points, to 10.49 percent, because of increasing return on equity (profitability) and a consistently high earnings retention rate.

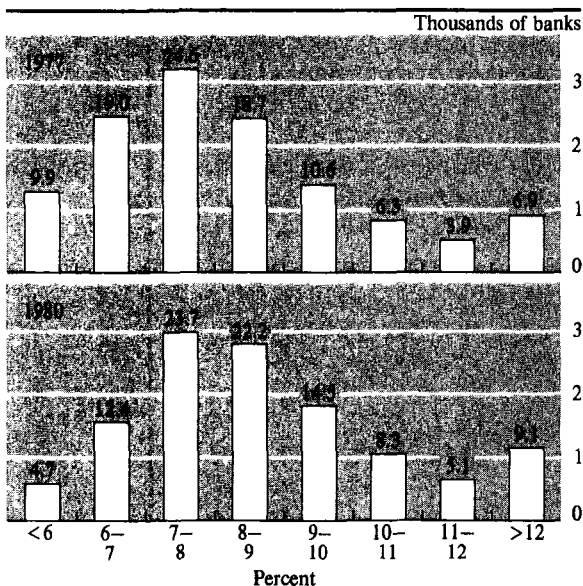
7. Internal equity growth factors, insured small commercial banks, 1977-80¹

| Ratio | 1977 | 1978 | 1979 | 1980 |
|---|-------|-------|-------|-------|
| Return on average equity (percent) ² | 12.43 | 13.13 | 14.25 | 14.27 |
| <i>times</i> | | | | |
| Earnings retention ³ | .7379 | .7422 | .7484 | .7349 |
| <i>equals</i> | | | | |
| Internal equity growth (percent) | 9.17 | 9.74 | 10.66 | 10.49 |

1. See note 1 to table 4.
 2. Return is bottom-line net income.
 3. Earnings retention is calculated as net income minus dividends declared divided by net income.

An improvement in the frequency distribution of capital ratios is in keeping with the broad-based improvement in earnings apparent in the histograms for return on assets. The capital ratio histograms for 1977 and 1980 in chart 2 indicate improvement at both ends of the distribution. From 1977 to 1980, small banks with capital ratios of less than 7 percent decreased from 28.9

2. Capital ratios, insured small commercial banks, year-end, 1977 and 1980



Small banks include all FDIC-insured commercial banks located in the United States with total assets of less than \$100 million at year-end and exclude new banks. Capital ratio is equity capital to total assets. Figure above bar is the percent of total number of banks.

percent to 17.1 percent. At the other end, banks with capital ratios greater than 10 percent increased from 17.1 percent to 22.5 percent.

The stronger capital ratios at small banks have several significant implications. In combination with good earnings and increased loan reserves, the higher capital ratios provide a substantial cushion to adjust to various forms of adversity. Moreover, those banks that have substantially augmented capital accounts are better able to serve local businesses because of the resulting increase in their lending limits and because of their greater financial stability.

SUMMARY OF FINDINGS

The great majority of small commercial banks fared quite well from 1977 through 1980. In considering that this period was characterized by many changes and some adversities, this finding should by no means be regarded as self-evident.

To the contrary, the challenge is to answer the question, "Why have small banks done so well?"

In answering this question, the most important consideration appears to be that earnings have improved because the average cost of funds has not increased as much as yields on average assets. In addition, small banks have benefited from moderate loan-loss provisions.

To conclude that small banks have fared well is not to downplay the major challenges that they still face. These challenges include the possibility of continuing high and volatile interest rates; deposit deregulation (including the phaseout of Regulation Q and the introduction of nationwide negotiable order of withdrawal accounts); increasing competition from other banks and thrift and nondepository institutions; and the possibility of some deterioration in asset quality. In combination, these factors will provide a continuing test of each small bank's ability to maintain satisfactory profit margins. □

Treasury and Federal Reserve Foreign Exchange Operations: Interim Report

This interim report, covering the period February through April 1981, is the seventeenth of a series providing information on Treasury and System foreign exchange operations to supplement the regular series of semiannual reports that are usually issued each March and September. It was prepared by Scott E. Pardee, Manager of Foreign Operations of the System Open Market Account and Senior Vice President in the Foreign Function of the Federal Reserve Bank of New York.

Coming into the three-month period under review, the U.S. dollar was in strong demand against most major currencies. The dollar was bolstered by the relatively favorable U.S. current-account position, which has remained in surplus in contrast to the deficits of many other industrial countries, and by the wide interest differentials in favor of dollar placements. The bidding for dollars also reflected bullish sentiment on the part of market participants that responded positively to the determination shown by the Reagan administration to deal with inflation and to revitalize the U.S. economy.

At the same time, as traders focused on political and economic problems facing Western European countries, sentiment toward other currencies became increasingly bearish. The German mark was under particularly heavy selling pressures both against the dollar and against the other European currencies linked formally or informally to the mark. By early February, the markets for dollars had become increasingly one way, with the dollar rising virtually every day. Through mid-February, the dollar advanced a further 4 percent against the German mark and the other continental European currencies, for a total rise on the order of 20 percent since the previous September. In addition, the dollar rose 3 percent against sterling, ½ percent against the Japanese yen, and ¾ percent against the Canadian dollar over the first half of February.

The U.S. authorities continued to intervene in the exchange markets, buying foreign currencies on days in which the dollar was rising sharply and, on occasion, placing simultaneous bids and offers to settle a volatile market. In all, the Trading Desk at the Federal Reserve Bank of New York operated in the market as a net buyer of marks on nine of the fourteen trading days between February 2 and 23. The total marks thus acquired amounted to \$610.0 million equivalent, which was split evenly between the Federal Reserve and the Treasury. An additional \$168.4 million equivalent of marks was bought from correspondents. The proceeds of these market and correspondent purchases were added to System and Treasury balances.

After mid-February, the demand for dollars lost steam. By that time, interest rates in the United States were easing somewhat, as the growth rates for the narrow monetary aggregates were coming in below the Federal Reserve's target range. Moreover, the authorities of other countries were acting to raise interest rates or to tighten liquidity conditions in their markets. In particular, on February 19, the German Federal Bank took action to defend the mark, suspending the usual Lombard facility to commercial banks and announcing that Lombard credits would be made available at its discretion and at rates that could vary on a day-to-day basis. Interest rates in Germany immediately shot up. As traders scrambled to cover short positions, the mark rebounded against the dollar and rose from the

1. Federal Reserve System activity under reciprocal currency arrangements, January 31–April 30, 1981¹

Millions of dollars equivalent; drawings, or repayments (–)

| Transactions with | Commitments, Jan. 31, 1981 | August through Apr. 30, 1981 | Commitments, Apr. 30, 1981 |
|----------------------|----------------------------|------------------------------|----------------------------|
| Bank of Sweden . . . | 200.0 | –200.0 | 0 |

1. Data are on a value-date basis.

bottom to the top of the European Monetary System (EMS) band.

Over late February and early March, dollar rates fell back with wide day-to-day movements. On balance, from late February through mid-March, the dollar dropped off some 8 percent against the German mark and other EMS currencies while holding fairly steady against the pound sterling and the Japanese yen and declining less than 2 percent against the Canadian dollar.

From late February to late March, the U.S. authorities did not intervene in the exchange market. On March 30, when the dollar fell sharply after the assassination attempt on President Reagan, the Trading Desk stepped in to settle the market, selling \$74.4 million equivalent of marks out of balances, split evenly between the Federal Reserve and the Treasury. Dollar rates quickly rebounded the following day.

In April, the dollar again came into heavy demand. Favorable sentiment toward the Reagan administration remained a generally positive psychological factor. Market participants expressed some concern that the administration's tax cut proposals might swell rather than reduce the budget deficit, but this concern reinforced expectations that U.S. interest rates would remain high and that the dollar would stay strong. By early April, indicators were showing that the U.S. economy was stronger than expected. The expansion in the underlying economy also began to show through more clearly in the demand for money and credit, and even the narrow measures of the monetary aggregates began to grow rapidly. With the Federal Reserve restraining the growth of reserves, the strong demand for money prompted a renewed rise in U.S. interest rates. Although some central banks abroad continued to raise their own interest rates, or to take other measures to keep a tight rein on liquidity, foreign interest rates did not rise as sharply as rates in the United States so that large interest differentials in favor of dollar placements widened.

In mid-April the Treasury announced that, after study and consultation with officials of the Federal Reserve, the U.S. authorities had adopted a minimal intervention approach and would now intervene only when necessary to counter conditions of disorder in the exchange market. In this prevailing market atmosphere, many participants interpreted this change in approach as

2. Net profits and losses (–) on U.S. Treasury and Federal Reserve current foreign exchange operations¹

Millions of dollars

| Period | Federal Reserve | U.S. Treasury | |
|---|-----------------|-----------------------------|-----------------|
| | | Exchange Stabilization Fund | General Account |
| February 1 through April 30, 1981 | –1.4 | –3.8 | 0 |
| Valuation profits and losses on outstanding assets and liabilities as of April 30, 1981 | –271.1 | –1,106.9 | 958.5 |

1. Data are on a value-date basis.

removing a constraint on the dollar's rise. On May 4, in testimony before the Joint Economic Committee of the Congress, Treasury Under Secretary Sprinkel set forth the rationale for this more limited intervention approach.

With the dollar again in demand, dollar rates were bid up sharply, frequently in one-way markets through the end of April. From the mid-March lows, the dollar rose by a net 8 to 9 percent against the German mark and other currencies linked directly or indirectly to the mark, 7 percent against the pound sterling, 5 percent against the Japanese yen, and 1½ percent against the Canadian dollar.

The U.S. authorities did not intervene in the markets in April, although the Desk continued to operate in the market as agent for other central banks. By the month-end, several foreign central banks were intervening fairly heavily in support of their currencies either against the dollar or, within the EMS, against the German mark, which remained firm among European currencies. In April, after a heavy reflux of funds into the Swedish krona, the Bank of Sweden repaid, before maturity, the \$200 million drawn in January under the swap arrangement with the Federal Reserve. In operations during the three-month period, the Federal Reserve had losses of \$1.4 million on its exchange market operations, while the Exchange Stabilization Fund (ESF) lost \$3.8 million. As of April 30, valuation losses on outstanding balances were \$271.1 million for the System and \$1,106.9 million for the ESF. The Treasury's general account had valuation gains of \$958.5 million, reflecting its foreign currency borrowings. □

Industrial Production

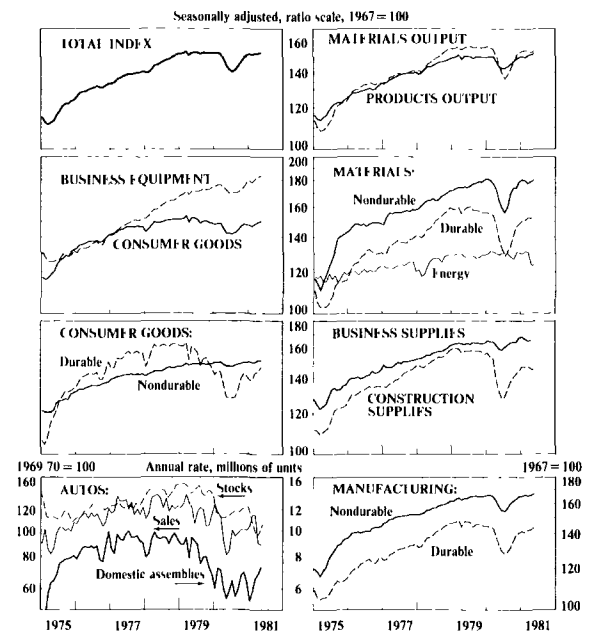
Released for publication June 16

Industrial production increased an estimated 0.3 percent in May, after a downward revised 0.1 percent rise in April. The May increase was concentrated in production of motor vehicles and parts, but gains also occurred in equipment and in some materials. At 152.8 percent of the 1967 average, industrial production in May was 6.1 percent above the depressed level of a year earlier and slightly below the latest index high reached in March 1979.

In market groupings, output of consumer goods advanced $\frac{1}{2}$ percent in May, mainly due to a rise of 7.5 percent in production of autos and utility vehicles. Autos were assembled at an annual rate of 7.3 million units, up from a rate of 6.8 million units in April. Production of home goods advanced slightly in May, after a small decline in April, as output of some home furnishings increased further while that of appliances declined further. Nondurable consumer goods output was about unchanged. Production of business and defense equipment continued to expand in May. Output of construction supplies declined 0.7 percent, after a similar drop in the preceding month.

Output of materials increased 0.3 percent in May. Production of durable goods materials rose

0.4 percent, largely due to increases in parts for autos and for equipment; a further rise in production of nondurable goods materials reflected gains in the output of chemicals. Production of energy materials was reduced 0.6 percent further in May.



Federal Reserve indexes, seasonally adjusted. Latest figures: May. Auto sales and stocks include imports.

| Grouping | 1967 = 100 | | Percentage change from preceding month | | | | | Percentage change, May 1980 to May 1981 |
|--|-------------------|------------------|--|------------|-----------|-----------|-----------|---|
| | 1981 | | 1981 | | | | | |
| | Apr. ^p | May ^e | Jan. | Feb. | Mar. | Apr. | May | |
| Total industrial production . . . | 152.3 | 152.8 | .5 | -.1 | .5 | .1 | .3 | 6.1 |
| Products, total | 151.6 | 152.1 | .3 | -.3 | .7 | .5 | .3 | 5.8 |
| Final products | 150.4 | 151.1 | .0 | -.3 | .9 | .7 | .5 | 5.6 |
| Consumer goods | 149.3 | 150.0 | -.3 | -.2 | .9 | .7 | .5 | 5.3 |
| Durable | 144.0 | 146.9 | -1.8 | .1 | 3.2 | .5 | 2.0 | 14.1 |
| Nondurable | 151.3 | 151.2 | .2 | -.3 | .1 | .7 | -.1 | 2.4 |
| Business equipment | 182.2 | 183.3 | .6 | -.3 | 1.2 | .9 | .6 | 6.6 |
| Defense and space | 101.0 | 101.4 | .3 | -.8 | .6 | .2 | .4 | 4.3 |
| Intermediate products | 156.0 | 155.6 | 1.0 | -.5 | -.3 | -.3 | -.3 | 6.4 |
| Construction supplies | 146.4 | 145.4 | 1.9 | -.1 | .2 | -.8 | -.7 | 9.3 |
| Materials | 153.4 | 153.8 | .8 | .3 | .1 | -.6 | .3 | 6.6 |

p Preliminary.

e Estimated.

NOTE. Indexes are seasonally adjusted.

Major market groupings

| Grouping | 1967 - 100 | | Percentage change from preceding month | | | | | Percentage change, May 1980 to May 1981 |
|--------------------|-------------------|------------------|--|------|------|------|-----|---|
| | 1981 | | 1981 | | | | | |
| | Apr. ^p | May ^e | Jan. | Feb. | Mar. | Apr. | May | |
| Manufacturing..... | 152.3 | 152.9 | .3 | -.1 | .5 | .4 | .4 | 6.6 |
| Durable..... | 142.7 | 143.5 | .6 | -.5 | 1.1 | .4 | .6 | 7.7 |
| Nondurable..... | 166.1 | 166.6 | .1 | .5 | -.4 | .4 | .3 | 5.4 |
| Mining..... | 136.2 | 135.7 | 1.3 | 1.6 | .3 | -5.3 | -.4 | 1.7 |
| Utilities..... | 170.8 | 171.3 | .4 | -1.5 | .5 | .9 | .3 | 2.1 |

p Preliminary. e Estimated. *Note.* Indexes are seasonally adjusted.

In industry groupings, manufacturing output increased 0.4 percent, after similar rises in April and March. Production of durable goods industries advanced 0.6 percent, reflecting gains in machinery and motor vehicles and parts. Output

of nondurables rose slightly further, with advances widespread except for foods and petroleum products. Mining output was reduced slightly further as the coal strike continued, and output of utilities increased 0.3 percent in May.

Statement to Congress

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on General Oversight and Renegotiation of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 4, 1981.

I am pleased to appear before this subcommittee to discuss the examination process for banks and recent efforts to make examinations more cost effective and more uniform among the federal supervisory agencies. Concerns about the efficiency and effectiveness of the examination process are quite understandable, given the complex governmental structure that our nation has devised for the supervision and regulation of depository institutions. Five federal agencies are now directly responsible for the supervision and regulation of commercial banks and thrift institutions, and under the "dual banking system" concept, all 50 states also have direct oversight responsibilities. It is important to note, however, that over a long period of time, interagency arrangements have been directed to achieving uniformity when appropriate and to avoid duplication and overlap whenever possible. These interagency efforts are an ongoing process because new accommodations are required as our financial system evolves.

In 1978, the Congress, with the Board's endorsement, reviewed the need for a more formal coordination structure and created the Examination Council to promote greater uniformity in examination procedures and supervisory policy among the five federal supervisory agencies. So far the Examination Council has made good progress in carrying out this congressional mandate. Among its achievements have been the development of a uniform system for rating the financial condition of banks and thrift institutions and the creation of a uniform bank performance report that will be used in monitoring the situation of individual institutions by the three banking agencies. The council also has developed a

uniform policy for coordinating the examination of holding companies and their major bank subsidiaries when the organization either is very large or is experiencing financial difficulties or deterioration.

Currently, the Examination Council has an interagency task force studying additional ways to bring greater uniformity to the examination process. Of course, achieving complete uniformity in examination procedures and techniques is not practical or desirable. For example, the supervisory agencies obviously would not want to employ the same methods in examining large multinational commercial banks as they would use in examining credit unions. Also, we must expect differences in bank examination procedures between the Comptroller of the Currency on one hand and the Federal Reserve and the Federal Deposit Insurance Corporation on the other, because the latter two agencies supervise state banks and must coordinate and communicate with state bank supervisors that are the chartering authority. Our objectives are already much the same, however, and allowing for practical differences such as these, we will continue to strive for greater procedural uniformity through the work of the Examination Council.

In recent months the General Accounting Office has issued two reports to the Congress relating to the examination of depository institutions. The first made a number of recommendations relating to current agency examination procedures and techniques. Some of these recommendations have already been implemented by the Federal Reserve and the other agencies, while others are presently being considered by the Examination Council. The second report involved a GAO proposal for interchanging examiners among the three federal banking agencies.

As part of its first report, the GAO recommended that the Examination Council develop uniform procedures for evaluating state banking agencies and then have the federal banking agencies accept the examination reports of those

states that received acceptable ratings. The rationale for this proposal was to economize on examiner resources by terminating both federal and state examinations of state-chartered banks. While the Board endorses the objective of the GAO proposal, it cannot support the specific recommendation. First, we do not believe that the federal agencies could adequately carry out their supervisory responsibilities for state banks if they completely withdrew from the examination process because this is a key element in effective supervision. In addition, we believe that any ongoing evaluation of state banking agencies by a federal agency would inevitably prove to be awkward and could damage existing federal-state agency relationships if a number of state agencies were judged to have inadequate examination capabilities.

While the Board cannot endorse this GAO recommendation, we are anxious to continue and expand our current close working relationships with state banking authorities. At present the Federal Reserve has joint examination arrangements with 16 states and concurrent examination arrangements with 15 states. Joint examinations entail a sharing of the workload between federal and state examiners and the preparation of a single report. Concurrent examinations involve a similar sharing of workload and resources with the preparation of separate federal and state reports. As a result of these cooperative examination programs, more than half of all state member banks, including most of our largest ones, are now examined on a joint or concurrent basis. In states where such cooperative programs are not utilized, the Federal Reserve attempts to coordinate timing with the states in order to space examinations more effectively. The Federal Reserve also receives and analyzes state examination reports, and the Board has permitted the Reserve Banks to substitute an examination conducted by a state for one of the two annual examinations that we require of problem banks.

In addition to these efforts, the Federal Reserve is expanding federal-state cooperation through the initiation of an alternate-year examination program with state banking authorities. Under this program, relatively trouble-free banks selected by the Reserve Banks and the states will be examined by the agencies in alternate years. This program will lessen the burden

of examinations on commercial banks and economize on the use of examiner resources, which will permit both the Federal Reserve and the states to target more of their examination efforts at those banks most in need of supervisory attention. An alternate-year program has already been arranged with the State of Georgia, and we are now in the process of establishing programs with a number of other state banking departments.

In recent years, the Federal Reserve has implemented a number of initiatives to save resources in its own examination program. For example, the Federal Reserve is employing limited-scope examinations in certain cases for which it is not deemed necessary to collect the detailed information resulting in a full-scale examination. Also, Federal Reserve examiners are relying more on information supplied by the banks when the information is verified through testing and statistical sampling techniques.

In order to improve the allocation of examiner resources, the System has recently reviewed its examination frequency policy and has adopted a more flexible approach that extends the time between examinations for sound banks. In relating examination frequency to a bank's financial condition, the Federal Reserve can target more resources to companies that warrant close supervisory attention. The Federal Reserve is also reviewing the possibility of limiting the time spent by examiners at a bank to those tasks—such as asset evaluation, assessment of management and internal controls, and compliance with law and reporting requirements—that can best be conducted on site. Such an approach would make maximum use of surveillance and financial analysis techniques that can be employed on an ongoing basis off the bank's premises. This approach also would economize on examiner salary and travel expenses and lessen the burden of on-site examination for the banks.

In addition to these Federal Reserve efforts, a number of ongoing interagency programs have proved to be successful in saving resources as well as increasing uniformity. Both the shared national credit program and the uniform country exposure examination procedures, in place for several years, have produced considerable savings and increased interagency consistency in examination findings and conclusions. While

these programs were originally established at the federal level, they have been expanded to include some state banking authorities.

In an apparent attempt to improve the structure of the federal examination forces, the GAO has recommended the interchange of examiners among the federal agencies as an interim step to a possible eventual consolidation of the federal examination forces, which the GAO appears to favor. It asserts that an interchange or "pooling" of federal examiners would reduce travel costs by allowing banks to be examined by personnel from the nearest agency office, even if that agency is not the primary supervisor. The GAO suggests that reducing travel by examiners would also improve morale and lower personnel turnover, thereby improving the quality of the examination staff.

The Board strongly opposes this GAO recommendation. As the GAO report points out, the proposal would entail a number of statutory, administrative, and procedural problems. Also, the proposal gives little weight to the fact that the federal agencies necessarily use somewhat different examination techniques and are responsible for enforcing somewhat different banking laws. Given these differences, the use of examiners interchangeably would require costly and time-consuming retraining efforts and would tie up resources that could be better spent in the supervisory process. In sum, the Board disagrees that the potential savings from the GAO proposal would outweigh the additional training costs and substantial coordination problems that would be created by a large-scale examiner interchange.

The GAO's proposal also would raise problems regarding examiner accountability and control. If an examiner from one agency were to spend substantial time examining banks under the primary supervision of other agencies, it would no longer be clear to which agency the examiner would in fact be accountable or how that examiner's performance could be fully evaluated.

The GAO's proposal implicitly assumes that the examination function and the supervisory function are separate. As a practical matter, it seems to me extremely difficult to separate the

examination function from overall supervision. This is so because examiners are instrumental in many important supervisory activities, including identifying problems in a timely way, meeting with management to discuss supervisory concerns, and monitoring bank compliance with programs for corrective action and formal enforcement actions. The accurate identification of supervisory problems and the implementation of remedial actions are largely dependent on the clear lines of authority, communication, and control that currently exist between supervisory agencies and their field forces. The GAO proposal would obviously threaten this constructive relationship and in the process could weaken the quality of federal supervision.

The GAO's interchange or pooling concept has another shortcoming in that it would muddy existing relationships between banking institutions and those agencies responsible for supervising them. In disrupting these supervisory relationships, the proposal also could impair ongoing programs for corrective action that had been implemented and were being monitored by the primary authority.

Finally, the Board believes that the GAO proposal would fail to achieve what is claimed to be an important benefit—the reduction of examiner turnover. Separating examiners from the supervisory process and committing them instead to a large, impersonal professional pool having no clear identification with a primary regulator surely would erode examiner morale and increase the dissatisfaction of people possessing highly marketable skills.

While the Board opposes the examiner interchange proposal, we do believe that examination resources might be saved in some cases by geographically relocating examiners of a given agency. Indeed, the Federal Reserve has now established five examination field offices, two within the last two years. These five field offices, together with the twelve Reserve Banks, give the Federal Reserve seventeen examination facilities throughout the country. Other geographic locations for additional field offices are under preliminary review.

In concluding, I want to reaffirm the Federal Reserve's commitment to performing examina-

tions in the most efficient manner possible consistent with meeting our supervisory responsibilities. We are also committed to working toward greater interagency uniformity in examination procedures and supervisory policy through the Examination Council. But we do not support any

sweeping changes in examiner organization or accountability. Such changes would be totally unwarranted in the current difficult economic environment when a close and continuing oversight of the nation's depository institutions is of vital importance. □

Announcements

POLICY STATEMENT ON SALE OF THIRD-PARTY COMMERCIAL PAPER BY STATE MEMBER BANKS

The Federal Reserve Board has adopted a policy statement providing guidelines to govern the sale by state member banks of commercial paper issued by firms not related to the bank.

The Board's guidelines concerning the sale of such third-party commercial paper (promissory notes of corporations) are intended to assure safe and sound banking practices. The Board will monitor activity in this area closely and will modify or supplement its guidelines as necessary.

The policy statement was effective May 28, 1981, but the Board will accept comment, for review by the Board, through July 31, 1981.

The policy statement follows.

The Board of Governors has recently determined that the sale of commercial paper by a state member bank for unaffiliated issuers (third-party commercial paper¹) did not violate the Glass-Steagall Act (12 U.S.C. 24 Seventh, and 378). The Board was concerned, however, that the sale of third-party commercial paper² might, in some circumstances, involve unsafe or unsound practices. Accordingly, in the interest of safe and sound banking, the Board believes that any state member bank that may decide to engage in the sale of third-party commercial paper should adhere to the following guidelines:³

1. A state member bank should sell only prime-quality commercial paper that qualifies for the exemption provided by section 3(a)(3) of the Securities Act of

1. Excluding commercial paper issued by a parent bank holding company; the Board has previously advised bank holding companies concerning sales of bank holding company commercial paper (letter dated June 27, 1980).

2. Banks have traditionally purchased commercial paper upon the order, and for the account of, customers, whereas here the bank is essentially acting for the issuer; the former activity is not subject to the guidelines set forth in this policy statement.

3. The Board does not expect to take enforcement action to restrain unsafe or unsound banking practices with respect to third-party commercial-paper selling activities of any state member bank that conducts such activities within these guidelines.

1933 (15 U.S.C. 77c(a)(3)). The bank should take appropriate precaution to assure itself that the section 3(a)(3) exemption applies to the commercial paper it proposes to sell. In this regard, (a) the bank should determine that the commercial paper it proposes to sell is of prime quality; (b) the bank may rely on representations of the issuer with respect to the use of proceeds; (c) except as further limited by paragraphs 7 and 8, the bank should sell commercial paper only to financially sophisticated customers, such as customers that regularly purchase a variety of short-term credit instruments, and should not advertise commercial paper for sale to the general public; (d) the bank should obtain periodically, and maintain in the bank's records, a current legal opinion of counsel that the section 3(a)(3) exemption is available. In addition, the bank should sell commercial paper in minimum denominations that are consistent with applicable law and, in no event, should sell commercial paper in minimum denominations of less than \$100,000.

2. The selling bank should maintain a complete credit analysis of the issuer at all times and should exercise due diligence in investigating the financial affairs of the issuer. Particular attention should be given to the liquidity position of the issuer and its lines of credit. All commercial paper sold by the bank should be fully supported by available lines of credit. Any participation by the selling bank in such lines of credit should be made only after consideration of the bank's legal lending limit.

3. Senior management should adopt internal limits for the amount(s) of commercial paper that may be sold by the bank for a single or related issuer(s). In determining the internal limits, senior management should consider the financial condition of the issuer, all lines of credit available to the issuer, and the bank's participation in the lines of credit and any other extensions of credit or commitments to the issuer by the bank (including commercial paper purchased by the bank for its own account).

4. Chronological records of original entry should be maintained that contain an itemized daily record of all sales and purchases of commercial paper. The records should also contain the following: a designation of the commercial paper; nature of the transaction, for example purchase or sale; trade and settlement dates; contra-party name or designation; and net proceeds, discount rate, or yield to maturity.

5. Account records should be maintained for each issuer that reflect the following: all sales and purchases of commercial paper placed by the bank for that issuer; all lines of credit available to the issuer; the

amount of the bank's participation in the lines of credit; and a current balance of all extensions of credit and a description of other commitments to the issuer.

6. Account records should be maintained for each purchaser that reflect all sales and purchases of commercial paper for the account of that customer.

7. Commercial paper should not be sold to fiduciary accounts over which the bank has investment discretion.

8. Commercial paper should not be sold to the bank's parent holding company (unless it is a bank) or to any nonbank affiliate of the bank.

9. The bank should furnish to all purchasers of commercial paper written advice in connection with all purchases that (a) the commercial paper is not an obligation of the bank, and is not insured by the Federal Deposit Insurance Corporation; (b) the bank has no obligation to repurchase any of the paper sold; (c) the bank is under no obligation to lend funds to the issuer (except pursuant to existing credit lines, or other commitments, if any); and (d) copies of the issuer's most recently published financial statements will be furnished upon request.

PROPOSED ACTION

The Federal Reserve Board has published for comment a proposed official staff commentary following up and interpreting the Board's simplified Regulation Z (Truth in Lending), which implements the Truth in Lending Simplification and Reform Act. Comment should be received by July 10, 1981.

SELECTION OF HOME STATES BY FOREIGN BANKS

The Federal Reserve Board on June 5, 1981, released a list of foreign banks operating in the United States and their home states. The list is available on request to Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Under the International Banking Act of 1978 and the Board's regulations, a foreign bank may expand its deposit-taking operations in a single state designated as its home state. Foreign banks with either a full-service branch or a subsidiary bank in the United States were required either to select a home state by March 31, 1981, or to have a home state designated for them by the Board.

Home states of the 112 foreign banking organizations operating in the United States are as follows: New York, 79; California, 27; Florida, 2; Illinois, 2; Massachusetts, 1; and the District of Columbia, 1.

REGULATION L: RULING

The Federal Reserve Board announced on May 21, 1981, that it had amended its rules of delegation of authority to permit the Board's General Counsel to expedite certain exceptions to the rules against interlocking managements of depository institutions.

Such exceptions are provided for under the Depository Institution Management Interlocks Act when one of the institutions—usually a small nonmember institution—is in particular need of management expertise. In such cases, the Board relies on the advice of the primary supervisor of the institution needing assistance to determine if an exception should be made to allow management from a member bank or a bank holding company to lend such assistance.

The delegation of authority to the General Counsel is meant to speed up the granting of exceptions when the Board is not the primary supervisor. The Board will consider other requests for exceptions.

NOMINATIONS TO CONSUMER ADVISORY COUNCIL

The Federal Reserve Board has announced that it is seeking nominations of qualified individuals for nine appointments to its Consumer Advisory Council.

Nominations should be submitted in writing to Dolores S. Smith, Assistant Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and must be received no later than August 17, 1981. Nominations should include the name, address, and telephone number of the nominee, past and present positions held, and special knowledge, interests, or experience relating to consumer matters.

The Consumer Advisory Council was established by the Congress in 1976, at the suggestion of the Board, to advise the Board on the exercise

of its duties under the Consumer Credit Protection Act and on other consumer-related matters. Generally, the Council meets four times a year for about a day and a half.

REGULATION T: AMENDMENT

The Federal Reserve Board has deleted a section of its Regulation T (Credit by Brokers and Dealers) that permits foreign currency to be treated as a deposit in a securities margin account, effective July 13, 1981.

The Board acted after considering comment on a proposal issued in December, which it adopted without change.

The Board's attention had been drawn to the fact that the language of this section (220.6 paragraph (j)) might be interpreted as allowing the speculative holding of foreign currency in a margin account. Deletion of the section is intended to make it clear that this is not permissible, and that any transactions in foreign currency should be effected in accounts insulated from securities credit transactions.

ANNUAL REPORT: PUBLICATION

The Sixty-Seventh *Annual Report* of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1980, is available for distribution. Copies may be obtained upon request to Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

CHANGES IN BOARD STAFF

The Federal Reserve Board has announced the following appointment.

Michael Bradfield of Washington, D.C., as General Counsel, effective July 1. He succeeds Neal L. Petersen who resigned effective May 29, 1981. Mr. Bradfield, a partner in Cole Corette & Bradfield, Washington, D.C., was previously with the Treasury Department. A graduate of Union College, Mr. Bradfield received a law degree and a masters degree from Columbia University and also attended St. Andrews University in Scotland and the University of Comparative Law in Luxembourg.

The Board has also announced the resignation of George B. Henry, Associate Director, Division of International Finance, effective June 30, 1981.

*SYSTEM MEMBERSHIP:
ADMISSION OF STATE BANKS*

The following banks were admitted to membership in the Federal Reserve System during the period April 11 through June 10, 1981:

Colorado

Denver Fidelity Bank of Denver

Virginia

Augusta County First Virginia Bank of Augusta

Colonial Beach Bank of Westmoreland

Goochland Bank of Goochland

Powhatan Bank of Powhatan

Wyoming

Baggs Valley State Bank

Record of Policy Actions of the Federal Open Market Committee

Meeting Held on March 31, 1981

1. Domestic Policy Directive

The information reviewed at this meeting suggested that real gross national product expanded substantially in the first quarter of 1981, but there were signs of a slowing of the expansion in economic activity during the quarter. Average prices, as measured by the fixed-weight price index for gross domestic business product, continued to rise rapidly.

The dollar value of retail sales advanced appreciably further over the first two months of the year, following a sizable gain over the second half of 1980. Increases in the value of sales in the two-month period were fairly widespread and were especially strong in the automotive group, at general merchandise stores, and at gasoline service stations. Unit sales of new domestic automobiles surged in late February and remained strong through the first 20 days of March, largely because of price concessions.

The index of industrial production declined an estimated 0.5 percent in February, after three months of diminishing gains. Capacity utilization in manufacturing edged up in January but declined 0.7 percentage point in February to 79.3 percent.

Private housing starts dropped in February to an annual rate of about 1.2 million units; during the preceding six months housing starts had been in a range of 1.4 million to 1.6 million units. Newly issued permits for residential construction edged down in January and declined sharply in February. Combined sales of new and existing homes fell in Janu-

ary for the fourth consecutive month.

Nonfarm payroll employment changed little in February following a large increase in January, and the unemployment rate, at 7.3 percent, was essentially unchanged. Employment continued to expand in trade and service establishments but declined sharply in construction. In manufacturing, employment growth slowed further and the average workweek fell 0.6 hour to 39.8 hours.

The Department of Commerce survey of business spending plans taken in January and February suggested that current-dollar expenditures for plant and equipment would rise about 10¼ percent in 1981, following an expansion of about 9¼ percent in 1980. The survey results implied that constant-dollar outlays would change little in 1981 from their level in 1980.

Producer prices of finished goods rose at an annual rate of about 10¼ percent in January and February, close to the average rate in the second half of 1980. The rise in the consumer price index slowed in January to an annual rate of about 8¾ percent but accelerated in February to a rate of 11½ percent. Over the two-month period food prices rose only slightly on balance, and the rise in homeownership costs slowed substantially. But prices of energy items surged, reflecting in large part the effects of decontrol of oil prices. The rise in the index of average hourly earnings of private nonfarm production workers was little changed from the pace recorded during 1980.

In foreign exchange markets the

trade-weighted value of the dollar against major foreign currencies rose further following the Committee's meeting in early February to a peak at midmonth. Subsequently, the dollar declined somewhat on balance, as short-term interest rates in continental European countries rose appreciably, both in absolute terms and relative to interest rates on dollar-denominated assets. In the days immediately preceding this meeting the dollar traded at rates somewhat above the level prevailing at the time of the last meeting. The U.S. trade deficit in January and February was at about the average monthly rate of the final quarter of 1980. The value of imports rose substantially, in association with the expansion in U.S. economic activity, and the value of exports also rose markedly.

At its meeting on February 2-3, the Committee had decided that open market operations in the period until this meeting should be directed toward expansion of reserve aggregates associated with growth in M-1A and M-1B over the period from December to March at annual rates of 5 to 6 percent and in M-2 of about 8 percent, abstracting from the impact of flows into NOW accounts. Those rates were associated with growth of M-1A, M-1B, and M-2 from the fourth quarter of 1980 to the first quarter of 1981 at annual rates of about 2 percent, 2¾ percent, and 7 percent respectively. If it appeared during the period before the next regular meeting that fluctuations in the federal funds rate, taken over a period of time, within a range of 15 to 20 percent were likely to be inconsistent with the monetary and related reserve paths, the Manager for Domestic Operations was promptly to notify the Chairman, who would then decide whether the situation called for supplementary instructions from the Committee.

Early in the intermeeting period, incoming data for the latter part of January and the early weeks of February indicated that a shortfall in

growth of the narrowly defined monetary aggregates (M-1A and M-1B), after adjustment for the estimated effects of shifts into NOW accounts, had developed from the short-run objectives set forth by the Committee. Required reserves and the demand for reserves contracted in relation to the supply of reserves being made available through open market operations, and member bank borrowings declined to an average of about \$1.2 billion in the three statement weeks ending February 18 from an average of about \$1.5 billion in the preceding three weeks. The federal funds rate fell to an average of about 15¾ percent in the week ending February 18, from about 17¼ percent at the time of the Committee's meeting in early February; and it declined further in subsequent days to around the lower end of the range of 15 to 20 percent that had been specified by the Committee.

In a telephone conference on February 24, the Committee agreed to accept some shortfall in growth of M-1A and M-1B from the rates specified in the directive adopted on February 3, in light of indications of relatively strong growth of M-2 and M-3 and the substantial easing that had occurred in money market conditions, as well as of uncertainties about the interpretation of the behavior of M-1. It was recognized that the operational path for nonborrowed reserves consistent with the Committee's decision might lead to some further easing in money market conditions, depending upon rates of growth in the monetary aggregates. In fact, member bank borrowings declined in early March, and the federal funds rate eased for a while in mid-March to about 13 percent. Subsequently, however, demands for reserves strengthened, and in the days immediately preceding this meeting, the federal funds rate was around 15 percent.

M-1A and M-1B, adjusted for the estimated effects of shifts into NOW accounts, declined somewhat in

February and changed little on balance over the first two months of the year. The narrower aggregates expanded substantially, however, in the first half of March. Growth in M-2 picked up to an annual rate of about 7½ percent in February from 5¾ percent in January; and it apparently accelerated considerably in March, because of large flows into money market mutual funds and some strengthening in the total of small-denomination time and savings deposits in addition to the expansion in the narrower aggregates.

Expansion in total credit outstanding at U.S. commercial banks slowed substantially in February to an annual rate of 8¼ percent, about one-half the pace recorded in January. The deceleration reflected a reduced pace of investment acquisitions and weakness in loans, particularly security loans and business loans. The moderation in growth of business loans at commercial banks was accompanied by stepped-up issuance of publicly offered bonds and continued heavy net issuance of commercial paper by nonfinancial corporations. In addition, U.S. nonbank residents expanded their outstanding loans from foreign branches of U.S. banks.

Short-term market interest rates declined substantially on balance over the intermeeting interval: in private short-term markets, yields fell 2 to 3½ percentage points; in the Treasury bill market, yields fell somewhat less, about ¾ to 2 percentage points, as the Treasury raised large amounts of new money through bill auctions and heavy seasonal issuance of cash management bills. Most long-term interest rates rose ¼ to ½ percentage point during the intermeeting period. The prime rate charged by commercial banks on short-term business loans was reduced in steps to 17½ percent from the level of 19½ to 20 percent prevailing at the time of the last Committee meeting. In home mortgage markets, average rates on new com-

mitments for fixed-rate loans at savings and loan associations rose about 40 basis points to 15.40 percent.

The staff projections presented at this meeting suggested that economic activity, even while expanding substantially in the first quarter, had been losing its upward momentum, and that real GNP was likely to change little over the period ahead. Such a sluggish performance of the economy would be accompanied by a small increase in the unemployment rate. The rise in the fixed-weight price index for gross domestic business product was projected to remain rapid, although somewhat less so in the latter part of the year than in the first half.

In the Committee's discussion of the economic situation and outlook, members noted the unanticipated strength in activity in the autumn and winter, and they continued to stress the difficulties of forecasting output and prices in the current environment. A number of members expressed the view that little change in real GNP over the balance of 1981 was an improbable development; and of these, all but one thought that a stronger performance was more likely than a weaker one. While no member voiced disagreement with the staff projection of continuation of a rapid rise in overall prices, it was suggested that inflationary expectations might be moderating a bit and also that toward the end of the year the rise in the consumer price index might be lessening.

At its meeting on February 2-3, the Committee had adopted the following ranges for growth of the monetary aggregates over the period from the fourth quarter of 1980 to the fourth quarter of 1981: M-1A and M-1B, 3 to 5½ percent and 3½ to 6 percent respectively, after adjustment for the effects of flows into NOW accounts; M-2, 6 to 9 percent; and M-3, 6½ to 9½ percent. The associated range for growth of commercial bank credit was 6 to 9 percent. It was understood that the dis-

torting effects of shifts into NOW accounts would change during the year and that other short-run factors might cause considerable variation in annual rates of growth from one month to the next and from one quarter to the next.

In the Committee's discussion of policy for the period immediately ahead, it was noted that growth of the narrowly defined monetary aggregates (adjusted for the effects of NOW accounts) was slow over the first three months of 1981 as a whole, despite the strength that had developed in early March. It was pointed out that the slow growth during the first quarter could be welcomed as an offset to the rapid growth in the fourth quarter of 1980. Growth of M-2, in contrast, apparently had been fairly rapid; its non-transaction component had been buoyed by record expansion in money market mutual funds, which had more than offset weakness in small-denomination time and savings deposits.

A staff analysis suggested that the sluggish growth in the narrowly defined money supply in the first quarter, and the extraordinary increase in the velocity of money, might have been related to the high interest rates in the fourth quarter of 1980 and to the year-end introduction of NOW accounts on a nationwide basis, which together might have led to intensive reconsideration of cash management techniques. Looking to the second quarter, another sharp increase in the velocity of narrowly defined money appeared unlikely, and demands for transaction balances were expected to expand substantially in association with growth of nominal GNP. It was anticipated that the nontransaction component of M-2 would remain strong and that the pickup in the demand for transaction balances would contribute to rapid growth of M-2.

In considering objectives for monetary growth over the second quarter, members of the Committee in

general focused on the interrelated issues of the desirable speed of growth of narrowly defined money, consistent with the range for the year, and the weight that should be given to M-2. In the interest of simplification, the Committee decided to focus on M-1B as the measure of transaction balances and to omit any reference to M-1A in its statement of monetary objectives for the short run. After adjustment for the effects of shifts into NOW accounts, growth in the two would be similar.

Concerning operations in the period before the next regular meeting, scheduled for mid-May, the view was expressed that the demand for money could well be expanding substantially but that it would be appropriate to establish a reserve path consistent with growth at a relatively modest pace. It was also suggested that the weakness in growth of adjusted M-1B in the early months of the year might be a misleading indicator of the behavior of transaction balances, mainly because of the rapid growth of money market mutual funds; some part of the large flows into those funds might also be regarded as transaction balances. Thus, it was argued that some greater weight than previously should be given to the behavior of M-2 in appraising the behavior of the monetary aggregates. On the other hand, it was observed that the weight given to M-2 should not be increased because the ranges for 1981 adopted at the Committee's meeting in early February might not allow sufficiently for the expectation that growth of the broader aggregate in 1981 would tend to increase relative to that of M-1B.

With respect to the federal funds rate, it was stressed that the Committee specified an intermeeting range for fluctuations over a period of time to provide a mechanism for initiating timely consultations between regularly scheduled meetings whenever it appeared that fluctuations within the specified range were

proving to be inconsistent with the objectives for the behavior of reserve and monetary aggregates. Thus, the limits of the range were indicative of the conditions under which the Committee would wish to consult to reexamine its short-run objectives and were not intended as binding constraints on System operations pending such consultations. For the coming intermeeting period, various proposals were made for the range, all of them more or less centered on the rate of 15 percent that had prevailed in the market most recently.

At the conclusion of the discussion, the Committee decided to seek behavior of reserve aggregates associated with growth of M-1B over the period from March to June at an annual rate of 5½ percent or somewhat less, after allowance for the impact of flows into NOW accounts, and growth in M-2 at an annual rate of about 10½ percent. In evaluating the behavior of the aggregates, it was agreed that greater weight than before would be given to the behavior of M-2. The members recognized that shifts into NOW accounts would continue to distort measured growth in M-1B to an unpredictable extent and that operational paths would have to be developed in the light of evaluation of those distortions. If it appeared during the period before the next scheduled meeting that fluctuations in the federal funds rate, taken over a period of time, within a range of 13 to 18 percent were likely to be inconsistent with the monetary and related reserve paths, the Manager for Domestic Operations was promptly to notify the Chairman, who would then decide whether the situation called for supplementary instructions from the Committee.

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

The information reviewed at this meeting suggests that real GNP expanded substantially in the first quarter of 1981,

but there were signs of a slowing of the expansion in economic activity during the quarter; prices on the average continued to rise rapidly. While retail sales advanced appreciably over the first two months of the year, industrial production declined in February after three months of diminishing gains, and housing starts dropped from the moderate pace that had prevailed during the preceding six months. Nonfarm payroll employment changed little in February following a large increase in January; the unemployment rate, at 7.3 percent, was essentially unchanged. Over the first two months of 1981, the rise in the index of average hourly earnings was little changed from the rapid pace recorded during 1980.

The weighted average value of the dollar against major foreign currencies rose further following the Committee's meeting in early February to a peak at midmonth but subsequently declined somewhat on balance. Short-term interest rates in continental European countries have risen appreciably since mid-February, absolutely and in relation to interest rates on dollar-denominated assets. The U.S. trade deficit in January and February was at about the average monthly rate of the final quarter of 1980.

M-1A and M-1B, adjusted for the estimated effects of shifts into NOW accounts, changed little over the first two months of the year but expanded substantially in the first half of March. Growth in M-2 accelerated in the course of the quarter, and partial data suggest considerable strength in March, in part because of large flows into money market mutual funds. On balance since early February, short-term market interest rates have fallen substantially while longer-term market rates have risen somewhat.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation, encourage economic recovery, and contribute to a sustainable pattern of international transactions. At its meeting in early February, the Committee agreed that these objectives would be furthered by growth of M-1A, M-1B, M-2, and M-3 from the fourth quarter of 1980 to the fourth quarter of 1981 within ranges of 3 to 5½ percent, 3½ to 6 percent, 6 to 9 percent, and 6½ to 9½ percent respectively, abstracting from the impact of introduction of NOW accounts on a nationwide basis. The associated range for bank credit was 6 to 9 percent. These ranges will be reconsidered as conditions warrant.

In the short run the Committee seeks behavior of reserve aggregates consistent with growth in M-1B from March to

June at an annual rate of 5½ percent or somewhat less, after allowance for the impact of flows into NOW accounts, and growth in M-2 at an annual rate of about 10½ percent. It is recognized that shifts into NOW accounts will continue to distort measured growth in M-1B to an unpredictable extent, and operational reserve paths will be developed in the light of evaluation of those distortions. If it appears during the period before the next meeting that fluctuations in the federal funds rate, taken over a period of time, within a range of 13 to 18 percent are likely to be inconsistent with the monetary and related reserve paths, the Manager for Domestic Operations is promptly to notify the Chairman, who will then decide whether the situation calls for supplementary instructions from the Committee.

Votes for this action: Messrs. Volcker, Boehne, Boykin, Corrigan, Partee, Rice, Schultz, Solomon, Mrs. Teeters, and Mr. Winn. Vote against this action: Mr. Wallich. Absent: Messrs. Gramley and Mayo. (Mr. Winn voted as alternate for Mr. Mayo.)

Mr. Wallich dissented from this action because he favored specification of lower monetary growth rates for the period from March to June than those adopted at this meeting along with a higher intermeeting range for the federal funds rate. In light of the recent strength of economic activity, he believed that policy had not been as restrictive as supposed, in part because money market mutual funds and other sources of liquidity had contributed to an increase in the velocity of M-1B, and that continuation of excessive strength in activity posed the greater danger for the period ahead.

On May 6 the Committee held a telephone conference. Available data indicated that growth in M-1B, after adjustment for shifts of funds into NOW accounts from other interest-bearing assets, had accelerated markedly in April to an annual rate of about 14 percent. However, in view of the very low growth of shift-adjusted M-1B in the early months of 1981 and the sharp decline in late 1980, the April acceleration brought the level of M-1B only to

around the midpoint of the 3½ to 6 percent range established by the Committee for 1981. Growth in M-2 had decelerated slightly in April; expansion of this aggregate was still relatively rapid, however, and its level in April was somewhat above its longer-run range for the year.

While the level of M-1B in April was only at the midpoint of the longer-run range, its growth in the month was more rapid than the pace of 5½ percent or somewhat less specified for the period from March to June by the Committee at its March 31 meeting. Consequently, strong pressures had developed on bank reserve positions as less reserves were supplied through open market operations than banks demanded. Indeed, non-borrowed reserves were estimated to have declined at an annual rate of about 12 percent in April. In adjusting to the constrained availability of reserves, banks had a negative excess reserve position on the average in the latter part of April and increased borrowings from the discount window sharply in late April and early May; borrowings averaged about \$2.4 billion in the two weeks ending May 6. The federal funds rate, which had been in a 15 to 15½ percent range for most of April, rose considerably in late April and early May as banks intensified their efforts to acquire reserves; trading in recent days had been in a range of 17 to 20 percent. Effective May 5, the basic Federal Reserve discount rate was raised from 13 to 14 percent and the surcharge on frequent borrowing by large depository institutions was increased from 3 to 4 percentage points, placing the surcharge rate at 18 percent.

In the telephone conference on May 6, the Committee agreed that in the brief period before the next regular meeting scheduled for May 18, the reserve path would continue to be set on the basis of the short-run objectives for monetary growth established at the March 31 meeting. It was noted that for a time actual

money growth might be high relative to those objectives in view of the recent performance of the monetary aggregates. The Committee recognized that short-term market interest rates might well fluctuate around levels prevailing in recent days and that the federal funds rate might continue to exceed the upper end of the range indicated for consultation at the previous meeting. The Committee agreed to consult further if necessary to maintain adequate restraint on the monetary and credit aggregates.

On May 6, the Committee agreed that through the period before the next regular meeting the reserve path should continue to be set on the basis of the short-run objectives for monetary growth established at its meeting on March 31, recognizing that the federal funds rate might continue to exceed the upper end of the range indicated for consultation at the March 31 meeting.

Votes for this action: Messrs. Volcker, Boehne, Boykin, Corrigan, Gramley, Rice, Schultz, Solomon, Mrs. Teeters, and Mr. Winn. Votes against this action: None. Absent: Messrs. Partee and Wallich. (Mr. Winn voted as an alternate member.)

2. Review of Continuing Authorizations

At this, the first regular 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, 1981, the Committee followed its customary practice of reviewing all of its continuing authorizations and directives. The Committee reaffirmed the authorization for domestic open market operations, the foreign currency directive, and the procedural instructions with respect to foreign currency operations in the forms in which they were currently outstanding.

Votes for these actions: Messrs. Volcker, Boehne, Boykin, Corrigan, Partee, Rice, Schultz, Solomon, Mrs. Teeters, Messrs. Wallich, and Winn. Votes against these actions: None.

Absent: Messrs. Gramley and Mayo. (Mr. Winn voted as alternate for Mr. Mayo.)

In reviewing the authorization for domestic open market operations, the Committee took special note of paragraph 3, which authorizes the Reserve Banks to engage in the 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 authorization on October 7, 1969, on the basis of a judgment by the Committee that such lending of securities was reasonably necessary to the effective conduct of open market operations and to the implementation 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 for Domestic Operations that the lending activity in question remained reasonably necessary and that, accordingly, the authorization should remain in effect subject to annual review.

3. Authorization for Foreign Currency Operations

The Committee adopted several amendments to the authorization for foreign currency operations to simplify and clarify its instructions to the Federal Reserve Bank of New York and to bring the document up to date in light of recent developments. None of these amendments was intended as a change in policy orientation.

As adopted in December 1976, paragraph 1D authorized the Federal Reserve Bank of New York, for the System Open Market Account, to maintain an overall open position in all foreign currencies not to exceed \$1.0 billion, unless a larger position was expressly authorized by the Committee. The language suggested that authorizations of larger posi-

tions would be temporary. On December 19, 1978, the Committee had authorized an open position of \$8 billion (shown as a footnote in the authorization), which had remained in effect since that date. At this meeting, the Committee voted to incorporate the long-standing limit of \$8 billion in the text of paragraph 1D.

Paragraph 3 specifies that all transactions in foreign currencies be at prevailing market rates except in the case of certain transactions with foreign central banks. At this meeting, the Committee voted to delete a reference to an exception that is no longer relevant and to add language spelling out circumstances in which transactions at nonmarket rates may be undertaken.

Paragraph 5 is concerned with the investment of System holdings of balances of foreign currencies. In view of a provision in the Monetary Control Act of 1980 allowing the System to invest in securities issued or fully guaranteed by foreign governments, the Committee voted to limit investment of foreign currency holdings to liquid forms and generally to instruments having no more than 12 months remaining to maturity.

The Committee also amended paragraph 6 to provide that all operations pursuant to the preceding paragraphs be reported promptly, rather than on a daily basis, to the Foreign Currency Subcommittee.

As amended, paragraphs 1D, 3, 5 and 6 read as follows:

1. The Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York, for System Open Market Account, to the extent necessary to carry out the Committee's foreign currency directive and express authorizations by the Committee pursuant thereto, and in conformity with such procedural instructions as the Committee may issue from time to time:

* * * * *

D. To maintain an overall open position in all foreign currencies not ex-

ceeding \$8.0 billion. For this purpose, the overall open position in all foreign currencies is defined as the sum (disregarding signs) of net positions in individual currencies. The net position in a single foreign currency is defined as holdings of balances in that currency, plus outstanding contracts for future receipt, minus outstanding contracts for future delivery of that currency, i.e., as the sum of these elements with due regard to sign.

3. All transactions in foreign currencies undertaken under paragraph 1(A) above shall, unless otherwise expressly authorized by the Committee, be at prevailing market rates. For the purpose of providing an investment return on System holdings of foreign currencies, or for the purpose of adjusting interest rates paid or received in connection with swap drawings, transactions with foreign central banks may be undertaken at non-market exchange rates.

5. Foreign currency holdings shall be invested insofar as practicable, considering needs for minimum working balances. Such investments shall be in liquid form, and generally have no more than 12 months remaining to maturity. When appropriate in connection with arrangements to provide investment facilities for foreign currency holdings, U.S. Government securities may be purchased from foreign central banks under agreements for repurchase of such securities within 30 calendar days.

6. All operations undertaken pursuant to the preceding paragraphs shall be reported promptly to the Foreign Currency Subcommittee and the Committee. The Foreign Currency Subcommittee consists of the Chairman and Vice Chairman of the Committee, the Vice Chairman of the Board of Governors, and such other member of the Board as the Chairman may designate (or in the absence of members of the Board serving on the Subcommittee, other Board Members designated by the Chairman as alternates, and in the absence of the Vice Chairman of the Committee, his alternate). Meetings of the Subcommittee shall be called at the request of any member, or at the request of the Manager for Foreign Operations for the purposes of reviewing recent or contemplated operations and of consulting with the Manager on other matters relating to his responsibilities. At the request of any member of the Subcommittee, questions arising from such reviews and consultations shall be referred for determination to the Federal Open Market Committee.

Votes for these actions: Messrs. Volcker, Boehne, Boykin, Corrigan,

Partee, Rice, Schultz, Solomon, Mrs. Teeters, Messrs. Wallich, and Winn. Votes against these actions: None. Absent: Messrs. Gramley and Mayo. (Mr. Winn voted as alternate for Mr. Mayo.)

4. Agreement with Treasury to Warehouse Foreign Currencies

At its meeting on January 17–18, 1977, the Committee had agreed to a suggestion by the Treasury that the Federal Reserve undertake to “warehouse” foreign currencies—that is, to make spot purchases of foreign currencies from the Exchange Stabilization Fund and simultaneously to make forward

sales of the same currencies at the same exchange rate to the ESF. Pursuant to that agreement, the Committee had agreed that the Federal Reserve would be prepared to warehouse for the Treasury or for the ESF up to \$5 billion of eligible foreign currencies. At this meeting the Committee reaffirmed the agreement on the terms adopted on March 18, 1980, with the understanding that it would be subject to annual review.

Votes for this action: Messrs. Volcker, Boehne, Boykin, Corrigan, Partee, Rice, Schultz, Solomon, Mrs. Teeters, Messrs. Wallich, and Winn. Votes against this action: None. Absent: Messrs. Gramley and Mayo. (Mr. Winn voted as alternate for Mr. Mayo.)

* * * * *

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 made available a few days after the next regularly scheduled meeting and are later published in the BULLETIN.

Legal Developments

AMENDMENTS TO REGULATIONS D AND Q

Part 204—Reserve Requirements of Depository Institutions

Part 217—Interest on Deposits

Deposits Payable Outside the United States

The Board of Governors of the Federal Reserve System has amended its Regulation D—Reserve Requirements of Depository Institutions (12 CFR Part 204) and Regulation Q—Interest on Deposits (12 CFR Part 217) to subject deposits in denominations of less than \$100,000 maintained at foreign branches to interest rate ceilings and reserve requirements. This action is taken in light of recent offerings that have significant potential adverse implications for the viability of the existing interest rate ceiling structure, the flow of funds among depository institutions, and the conduct of monetary policy.

Effective May 14, 1981, the Board of Governors of the Federal Reserve System has amended its Regulations D (12 CFR Part 204) and Q (12 CFR Part 217) as follows:

1. Section 204.2 of Regulation D (12 CFR Part 204) is amended by adding a new paragraph (l) as follows:

Section 204.2—Definitions

For purposes of this Part, the following definitions apply unless otherwise specified:

* * * * *

(l) "Any deposit that is payable only at an office located outside the United States" means (1) a deposit of a United States resident¹ that is in a denomination of \$100,000 or more, and as to which the depositor is entitled, under the agreement with the institution, to demand payment only outside the United States or (2) a deposit of a person who is not a United States resident¹ as to which the depositor is entitled, under

¹ A deposit of a foreign branch, office, subsidiary, affiliate or other foreign establishment ("foreign affiliate") controlled by one or more domestic corporations is not regarded as a deposit of a United States resident if the funds serve a purpose in connection with its foreign or

the agreement with the institution, to demand payment only outside the United States.

2. Section 217.1 of Regulation Q (12 CFR Part 217) is amended by adding a new paragraph (k) as follows:

Section 217.1—Definitions

For purposes of this Part, the following definitions apply unless otherwise specified:

* * * * *

(k) "Any deposit that is payable only at an office located outside of the States of the United States and the District of Columbia" means (1) a deposit of a U.S. resident^{8a} (as defined in 12 CFR § 204.2(s)) that is in a denomination of \$100,000 or more, and as to which the depositor is entitled under the agreement with the institution, to demand payment only outside the States of the United States or the District of Columbia or (2) a deposit of a person who is not a United States resident^{8a} as to which the depositor is entitled under the agreement with the institution to demand payment, only outside the States of the United States or the District of Columbia.

AMENDMENT TO RULES REGARDING DELEGATION OF AUTHORITY

Part 265—Rules Regarding Delegation of Authority

General Counsel Authority to Approve Exceptions Under Regulation L

The Board of Governors of the Federal Reserve System is amending its Rules Regarding Delegation of

international business or that of other foreign affiliates of the controlling domestic corporation(s).

^{8a} A deposit of a foreign branch, office, subsidiary, affiliate or other foreign establishment ("foreign affiliate") controlled by one or more domestic corporations is not regarded as a deposit of a United States resident if the funds serve a purpose in connection with its foreign or international business or that of other foreign affiliates of the controlling domestic corporation(s).

Authority in order to delegate to its General Counsel authority to grant certain exceptions to the prohibitions against management interlocks among depository institutions contained in the Depository Institution Management Interlocks Act (12 U.S.C. § 3201 *et seq.*). The delegation authorizes the Board's General Counsel to grant the exceptions when the primary federal supervisory agency of the depository organization in need of management service has granted the exception. This action is intended to expedite reviews of requests for exceptions provided in Regulation L (12 C.F.R. § 212.3(b)).

Effective May 20, 1981, the Board of Governors of the Federal Reserve System has amended its Rules Regarding Delegation of Authority by adding paragraph (9) to read as follows:

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

* * * * *

(b) * * *

* * * * *

(9) Under the provisions of section 212.4(b) of this chapter (Regulation L relating to interlocking relationships permitted by Board order), to grant exceptions from the prohibitions of Regulation L when the primary Federal supervisor of the depository institution in need of management assistance has approved the exception.

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

Orders Under Section 3 of Bank Holding Company Act.

Detroitbank Corporation,
Detroit, Michigan

Order Approving Acquisition of Bank Holding Company

Detroitbank Corporation, Detroit, Michigan, a bank holding company within the meaning of the Bank Holding Company Act (the "Act"), has applied for the Board's approval under section 3 of the Act (12 U.S.C. § 1842) to acquire 100 percent of the voting shares of the successor by merger to First Bank Corporation, Midland, Michigan ("FBC"), a bank holding company that controls First Midland Bank & Trust Company, Midland, Michigan ("Midland Bank"); Shepherd

State Bank, Shepherd, Michigan ("Shepherd Bank"); and First Community Bank, N.A., West Branch, Michigan ("West Branch Bank"). The company into which FBC is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of FBC. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of shares of FBC.

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

Applicant, the third largest banking organization in Michigan, controls ten banks with aggregate deposits of approximately \$3.7 billion, representing approximately 9.3 percent of total deposits in commercial banks in the state.¹ Acquisition of FBC, the 44th largest banking organization in Michigan, controlling three banks with aggregate deposits of \$100.6 million, would increase Applicant's share of commercial bank deposits in Michigan by 0.25 percent and would not alter its statewide ranking.

FBC controls Midland Bank (deposits of \$83.5 million), the sixth largest of twelve banking organizations competing in the Bay City-Saginaw banking market,² holding 5.2 percent of the deposits in that market; Shepherd Bank (deposits of \$17.0 million), the sixth largest of nine banking organizations competing in the Mt. Pleasant banking market,³ holding 7.2 percent of the deposits in that market; and West Branch Bank, a de novo bank opened in December of 1980, located in the Standish-West Branch banking market.⁴ West Branch Bank is the smallest of six banking organizations in the Standish-West Branch banking market and controls a negligible amount of deposits in that market. None of Applicant's subsidiary banks has an office in any of the relevant banking markets, or within 97 miles of any office of FBC's subsidiary banks. Thus, no significant existing competition would be eliminated by consummation of the proposal.

1. All banking data are as of June 30, 1980, unless otherwise indicated.

2. The Bay-City-Saginaw banking market is approximated by Bay, Midland, and Gladwin Counties and the northern three-quarters of Saginaw County.

3. The Mount Pleasant banking market is approximated by Isabella and Clare Counties.

4. The Standish-West Branch banking market is approximated by Arenac and Ogemaw Counties, the western half of Iosco County, and Curtis township in Alcona County.

With regard to potential competition, based upon the facts of record, including Applicant's size and its ability to expand de novo, Applicant must be viewed as a likely potential entrant into the three relevant banking markets. Acquisition of West Branch Bank, however, will result in no adverse effects upon potential competition in the Standish-West Branch banking market since the bank to be acquired is at this time a relatively minor competitive factor. Moreover, only one of the state's fifteen largest banking organizations now is represented in the market, Applicant is but one of several potential entrants, and a foothold entry vehicle would remain in the market following consummation of the proposal. With regard to the Mt. Pleasant banking market, no substantial amount of potential competition would be eliminated as a result of consummation of the proposal because of the small size and market share of deposits held by Shepherd Bank. Based upon demographic data and other facts of record, the market appears only moderately attractive for de novo entry. Further, only one of the state's fifteen largest banking organizations currently is represented in the market, Applicant is only one of several potential entrants, and following consummation of the proposal, five foothold entry vehicles would remain in the market. With respect to the Bay City-Saginaw market, because of the size and market share of deposits held by Midland Bank in that market, no substantial amount of potential competition would be eliminated in that market as a result of consummation of the proposal. Only four of the state's fifteen largest banking organizations currently are represented in the market, Applicant is only one of several potential entrants, and following consummation of the proposal, five foothold entry vehicles would remain in the market.

In its consideration of this proposal, the Board has reviewed the comments of Protestant, who contends that the factors leading to the Board's recent denial of the proposed acquisition of Protestant by Applicant⁵ are present in this case and, therefore, the Board should deny this application. In considering Applicant's proposal to acquire Protestant, the Board found that the proposal would have adverse effects on statewide concentration of banking resources and on potential competition in the Saginaw-Bay City banking market that were not outweighed by factors related to the convenience and needs of the communities to be served.

With respect to concentration of banking resources in Michigan, the Board has continued to monitor

statewide banking structures in general and, more specifically, the size disparity between the large banking organizations operating statewide and the smaller regional banking organizations. The Board is concerned with the possibility that continued approval of acquisition or merger proposals involving larger statewide bank holding companies and relatively sizeable banking organizations may perpetuate this size disparity and increase concentration ratios. Applicant's proposal to acquire Protestant involved the acquisition by Applicant of the 18th largest banking organization in Michigan, controlling 2 subsidiary banks with aggregate deposits of approximately \$383.9 million, representing 1.0 percent of statewide commercial bank deposits.⁶ However, the Board does not regard the acquisition of FBC, the 44th largest banking organization in the state, controlling three banks with aggregate deposits of approximately \$100.6 million, representing 0.25 percent of statewide commercial bank deposits, as involving the acquisition of a banking organization of sufficient size so that consummation would have a serious adverse effect upon concentration in Michigan.

With regard to potential competition in the Bay City-Saginaw banking market, Applicant's proposal to acquire Protestant would have involved the acquisition of the largest of the twelve banking organizations competing in the market, controlling 25.8 percent of the commercial bank deposits in the market. Applicant's proposal to acquire FBC, however, involves the proposed acquisition of Midland Bank, the 6th largest of 12 banking organizations, controlling only 5.2 percent of the commercial banks deposits in the market. This means of entry into the Bay City-Saginaw banking market does not appear to be an unreasonable proposal in light of the Board's previous concerns. While the concentrated nature of the market⁷ and the attractiveness for de novo entry into the Midland and Saginaw County portion of the market have not changed measurably since the Board's denial of Applicant's proposal to acquire Protestant, the relative size of the banking organization to be acquired differs significantly. Further, while Applicant's proposed acquisition of the largest bank in the market would have done nothing to reduce the concentration of banking resources in the relevant market, Applicant's proposed entry into the market would have a deconcentrating impact on the banking market. Accordingly, the Board is satisfied that the facts of this case are sufficiently different from those associated with the Board's denial of Applicant's proposal to acquire

6. Banking data are as of December 31, 1978.

7. The four largest banking organizations controlled 79.3 and 79.1 percent of total market deposits as of December 31, 1978, and June 30, 1980, respectively.

5. *DETROITBANK Corporation*, 66 FEDERAL RESERVE BULLETIN 242 (1980).

Protestant. After considering the overall impact of consummation of this proposal in light of the above and other facts of record, the Board concludes that approval of this application would have no significant adverse effects upon competition in any relevant area.

The financial and managerial resources and future prospects of Applicant, FBC, and their subsidiary banks are regarded as satisfactory. Accordingly, banking factors are consistent with approval of the application.

Following consummation of the proposed transaction, Applicant proposes to provide assistance to FBC's subsidiary banks in establishing cash management services as well as expanded international services. Applicant also intends to assist FBC's subsidiary banks in making mortgage financing available for large commercial and industrial construction. Thus, the Board concludes that considerations relating to the convenience and needs of the community to be served lend slight weight toward approval, and outweigh any adverse competitive effects that may result from the proposal. Based upon the foregoing and other considerations reflected in the record, it is the Board's judgment that the proposed acquisition is in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective May 20, 1981.

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

(Signed) JAMES McAFEE,
[SEAL] *Assistant Secretary of the Board.*

First Lincolnwood Corp.,
Lincolnwood, Illinois

Order Approving Formation of Bank Holding Company

First Lincolnwood Corp., Lincolnwood, Illinois, has applied for the Board's approval under section 3 (a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842 (a)(1)) of formation of a bank holding company by

acquiring 80 percent or more of the voting shares of First National Bank of Lincolnwood, Lincolnwood, Illinois ("Bank").

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

Applicant is a nonoperating company organized for the purpose of becoming a bank holding company by acquiring Bank. Bank, the 98th largest banking organization in the state of Illinois, has total deposits of \$102.8 million, representing approximately 0.13 percent of the total deposits in commercial banks in the state.¹ Bank is the 68th largest of 369 commercial banks in the Chicago banking market,² and holds approximately 0.19 percent of the commercial bank deposits in the market.

Principals of Applicant also are principals of Water Tower Trust and Savings Bank, Chicago, Illinois, which holds deposits of \$22.8 million. The affiliation raises no significant competitive issues since the two institutions would hold only 0.23 percent of total commercial bank deposits in the Chicago banking market. The proposal represents a restructuring of Bank's ownership from individuals to a corporation owned by the same individuals. Consummation of the proposal thus would not have any adverse effects on existing or potential competition, or on the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Bank and Applicant are considered generally satisfactory. Although Applicant will incur some debt in connection with this proposal, there appears to be sufficient flexibility for Applicant to service the debt without adversely affecting the financial condition of Bank. In making this determination, the Board has relied on Applicant's commitment to inject capital into Bank by issuing \$500 thousand in subordinated debentures, and using the proceeds to purchase new Bank common stock. In addition, the Board has relied on Applicant's commitment that Bank will issue an additional \$500 thousand in capital notes to an outside party(ies). Both of these capital injections will be completed with consummation of this proposal. Accordingly, considerations relating to banking factors

1. All banking data are as of December 31, 1979.

2. The Chicago banking market is approximated by all of Cook, DuPage, and Lake Counties, Illinois.

are consistent with approval of the application.³ While there will be no immediate changes in the services offered by Bank upon consummation of the proposal, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Based upon the foregoing and other considerations reflected in the record of this application, it is the Board's judgment that consummation of the proposal to acquire Bank would be consistent with the public interest and that the application should be approved.

On the basis of the Record, the application is approved for the reasons summarized above. The transaction shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless 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, effective May 14, 1981.

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

(Signed) D. MICHAEL MANIUS,
[SEAL] Assistant Secretary of the Board.

Midland Bank Limited,
London, England

Order for Public Meeting

Midland Bank Limited, London, England, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring 50 percent or more of the voting shares of Crocker National Corporation, San Francisco, California. Notice of this application was published in the *Federal Register* on March 23, 1981 (46 *Federal Register* 18,066).

3. The Board denied a previous proposal by Applicant to acquire Bank in 1976 based on the Board's determination that at that time Applicant lacked the financial flexibility necessary to meet its annual debt service requirements while maintaining adequate capital at Bank. *First Lincolnwood Corp.*, 62 FEDERAL RESERVE BULLETIN 153 (1976); see *Board of Governors v. First Lincolnwood Corp.*, 439 U.S. 234 (1978), upholding the Board's order. Since the Board's denial, Bank has increased its earnings and gross capital to assets ratio. Based on these facts and Applicant's commitments to further increase Bank's capital, the Board has determined that the conditions that warranted the Board's previous denial are no longer present.

The Board has received from the public three protests to this application, one of which requested the Board to hold a formal hearing on the application. The Board has determined that the three protests are not substantive, and that the hearing request should be denied. However, while there is no legal requirement to hold any public proceeding on this application, in light of the importance of Crocker National Bank in the communities in which it operates and the interest of the public in the proposal, the Board has determined to hold a public meeting on the application in San Francisco, California. The meeting will commence at 9:00 a.m. on June 22, 1981, at the Federal Reserve Bank of San Francisco, 400 Sansome Street, San Francisco, California 94120.

Any person who desires to give testimony, present evidence, or otherwise participate in this proceeding should file with the Assistant Secretary, Board of Governors of the Federal Reserve System, Washington, D.C., 20551, on or before June 12, 1981, a written request containing a statement of the nature of that person's interest in the proceedings, the extent of the participation desired, a summary of the matters concerning which that person desires to give testimony, submit evidence or raise questions, and the names and identity of witnesses who propose to appear. Such requests will be submitted to the designated presiding officer of the proceeding.

By order of the Board of Governors, effective May 26, 1981.

Voting for this action: Chairman Voleker and Governors Schultz, Wallich, Partee, Teeters, Rice, and Gramley.

(Signed) JAMES McAFFEE,
[SEAL] Assistant Secretary of the Board.

Northwest Bancorporation,
Minneapolis, Minnesota

Order Approving Acquisition of a Bank Holding Company

Northwest Bancorporation, Minneapolis, Minnesota, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of State Financial Services, Inc., Worthington, Minnesota ("Company"), a registered one bank holding company, and to acquire indirectly its subsidiary, State Bank of Worthington, Worthington, Minnesota ("Bank"). Following consummation of the proposal, Company will be liquidated. Accordingly, the pro-

posed acquisition of shares of Company is treated herein as the proposed acquisition of shares of Bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those of the Independent Bankers of Minnesota, and the 12 banks in Minnesota listed in the Appendix (collectively, "Protestant"), and the Minnesota Commissioner of Banks, in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).

Protestant contends that consummation of the proposal would have substantial anticompetitive effects on statewide banking structure as well as in the relevant market. Applicant controls 86 banks located in 7 upper midwestern states with total deposits of \$9.6 billion. Applicant is the second largest banking organization in Minnesota, controlling 49 banks with \$5.1 billion in deposits, representing approximately 23.1 percent of the total commercial bank deposits in the state.¹ Acquisition of Bank, with deposits of approximately \$38.9 million, would increase Applicant's share of deposits in commercial banks in Minnesota by 0.2 percent and would not alter its statewide ranking. While the Board has expressed concern about the concentration of commercial bank deposits in Minnesota held by the two largest banking organizations in the state, the Board believes that, given the recent general trend toward deconcentration in Minnesota, Applicant's acquisition of Bank would not result in a significant increase in statewide concentration.

The Supreme Court has articulated a number of factors to be considered in determining a relevant geographic banking market. See *United States v. Philadelphia National Bank*, 374 U.S. 321 (1970); see, also *Mid-Nebraska Bancshares v. Board of Governors*, 627 F. 2d 266 (D.C. Cir. 1980). These cases indicate that the competitive effects of a proposed merger or acquisition should be judged in a localized market in which banks offer their services and to which local customers can practicably turn for alternatives. The Supreme Court has stated in this regard that "the proper question is not where the parties to the merger do business or even where they compete, but where, within the area of competitive overlap, the effect of the merger on competition will be direct and immediate." *United States v. Philadelphia National Bank*, supra, 374 U.S. at 357. In determining this area, the Supreme Court sought "to delineate the areas in

which bank customers that are neither very large or very small find it practical to do their banking business . . ." Id., at 359.

Based upon the facts of record, the Board believes that Nobles County, Minnesota, approximates the relevant geographic market within which to consider the competitive effects of the proposal. Bank is located in Worthington, which is the county's largest community and the county seat, and the area from which people commute into Worthington approximates Nobles County. In addition, Bank derives virtually all of its loans and deposits from Nobles County.

In the Board's view, the larger geographic market proposed by Protestant, consisting of Nobles County and adjacent Murray and Rock Counties, Minnesota, is not substantiated by the evidence of record. The record indicates that Applicant's subsidiary bank in Slayton, in Murray County, and its subsidiary bank in Luverne, in Rock County, do not derive any significant portion of their deposits or loans from Nobles County. Applicant's Slayton and Luverne subsidiary banks derive only 1.8 percent and 0.2 percent of their loans, and 2.4 percent and 3.3 percent of their deposits, respectively, from Nobles County. Moreover, Bank obtains only 3.0 percent of its loans and 1.6 percent of its deposits from Murray and Rock Counties. Slayton and Luverne are the largest communities in, and the county seats of, their respective counties. Each community is located 31 road miles from Bank and serves as a center of economic activity for an area separate from Nobles County.²

Bank is the second largest of nine banking organizations in the Nobles County banking market, a rural agricultural community, and controls approximately 24.3 percent of the total commercial bank deposits in the market. None of Applicant's subsidiary banks are located in the relevant banking market. As noted above, Applicant's two subsidiary banks closest to Bank are each located 31 road miles from Bank in separate banking markets. Moreover, it does not appear that Applicant's three nonbanking subsidiaries compete to any significant extent in the relevant market. Thus, no existing competition would be eliminated by consummation of the proposal.

Protestant contends that the proposed acquisition

2. Protestant also asserts that it has been informed by bankers in the three-county area that banks in Nobles County are influenced by changes in rates and services made by banks in Rock and Murray Counties and that banks in Rock and Murray Counties are influenced by banks in Nobles County. These statements are unsupported by any empirical data. In any event, such influence, even if demonstrated, is not inconsistent with the Board's finding that the relevant market is approximated by Nobles County, since, as the Board has recently noted, geographic markets are usually not totally devoid of some influence from adjacent markets. *Independent Bank Corporation*, 67 FEDERAL RESERVE BULLETIN 436 (1981).

1. All banking data are as of December 31, 1979.

will eliminate significant potential competition in the Nobles County banking market. While Applicant appears to have the size and ability to enter the Nobles County banking market de novo, in the Board's judgment, the market is not attractive for de novo entry. Nobles County's population declined 6.5 percent between 1970 and 1980. In addition, while Minnesota nonmetropolitan counties average one banking office for each 2,524 residents, Nobles County has one banking office for each 1,808 residents.³ Accordingly, the Board is unable to conclude that Applicant is reasonably likely to enter the Nobles County banking market de novo.

Moreover, in the Board's view, it is unlikely that Applicant would enter the relevant market by means of a foothold acquisition of a smaller bank. Bank is the smallest of the two banks now located in Worthington, the county seat and largest community in the market. The larger bank located in Worthington is a subsidiary of the largest bank holding company in the state. Moreover, Minnesota's branching law precludes Applicant's two banking subsidiaries in adjacent markets from establishing a branch in Worthington's central business district or in secondary commercial areas in Worthington.⁴ Based upon these and other facts of record, the Board is unable to conclude that consummation of the proposal would have any significant effects upon potential competition in any relevant area.⁵

Protestant also alleges that the proposal would be anticompetitive in that it would serve to "entrench" Applicant, a powerful banking organization, in the market and thereby would discourage future entry into Nobles County by other organizations. Protestant's theory is not supported by any evidence of record. Indeed, the record shows that Applicant's presence in

other communities in Minnesota has not deterred subsequent entry by other banking organizations.⁶ In light of all the facts of record, it is the Board's judgment that consummation of the proposal will not have any substantially adverse effects on competition.⁷

Considerations relating to the financial and managerial resources and future prospects of Bank, Applicant, and Applicant's subsidiaries are regarded as satisfactory.

The record indicates that following consummation Applicant intends to introduce a number of new or expanded services at Bank. Applicant will make a full range of trust services available to Bank's customers. In addition, affiliation with Applicant will assist Bank in originating FHA, VA, and conventional mortgage loans, in making specialized agricultural loans, and in providing leasing services to farmers and businesses. Finally, Applicant's commercial finance subsidiary can assist Bank to meet the needs of local businesses for financing to be secured by accounts receivable, inventory, equipment, and a variety of other collateral. Applicant's provision of such new and expanded services will enable Bank to compete more effectively with the largest bank in Worthington, which is affiliated with the state's largest holding company. Thus, considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application and outweigh any adverse effects that may result from the proposal.

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

By order of the Board of Governors, effective May 27, 1981.

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

(Signed) JAMES McAFEE,
[SEAL] Assistant Secretary of the Board.

3. Protestant asserts that, based on a relatively high ratio of deposits per banking office, Nobles County is moderately attractive for de novo entry. However, based on June 30, 1980, data, the ratio of deposits to banking offices in Nobles County is about equal to the average ratio of deposits to banking offices for nonmetropolitan counties in Minnesota.

4. Given the unattractiveness for de novo entry of the market in general and Worthington in particular, it is also unlikely that Applicant would acquire one of the banks in the market outside Worthington and attempt to establish a branch in Worthington.

5. Noting that consummation of the proposal would increase the number of markets in the state where the two largest statewide organizations are present, Protestant contends that the proposed transaction would increase the chances that these two organizations may, because of their direct contact in many markets, mutually agree not to compete vigorously. This theory is not supported by any evidence of record. Moreover, available evidence tends to contradict Protestant's contentions. For example, a survey of rates charged and services offered by rural banks in Minnesota conducted in 1975 by the Federal Reserve Bank of Minneapolis indicates that there is no significant difference between prices and services established by banks in counties with affiliates of the two largest bank holding companies and by banks in counties without such affiliates.

6. Applicant has banking subsidiaries in 32 Minnesota communities outside of the Minneapolis/St. Paul metropolitan area. Since 1955, 13 new banks have been established in 12 of these communities.

7. The Minnesota Commissioner of Banks has submitted a detailed analysis of the proposal, concluding that Applicant's acquisition of Bank would not have any significant anticompetitive effects.

Appendix

List of Protestants:

Hardwick State Bank,
Hardwick, Minnesota
Farmers State Bank,
Kanaranzi, Minnesota
Beaver Creek State Bank,
Beaver Creek, Minnesota
State Bank of Chandler,
Chandler, Minnesota
Currie State Bank,
Currie, Minnesota
First National Bank,
Lake Wilson, Minnesota
Farmers State Bank,
Round Lake, Minnesota
First State Bank,
Rushmore, Minnesota
Ellsworth State Bank,
Ellsworth, Minnesota
First National Bank,
Brewster, Minnesota
State Bank of Lismore,
Lismore, Minnesota
First National Bank,
Wilmont, Minnesota

Concurring Statement of Governor Teeters

In my opinion this proposal, which involves the acquisition of Bank (second largest of nine banking organizations in the Nobles County banking market, with deposits of \$38.9 million) by Minnesota's second largest bank holding company, may serve to slow or even to reverse the recent trend in Minnesota toward deconcentration of statewide banking resources. Minnesota is now the most highly concentrated unit banking state in the nation in terms of the concentration of deposits held by the two largest banking organizations in unit banking states, and ranks 12th among all states.¹ However, in light of all of the facts of record in this instance, including the unattractiveness of the market for de novo entry, I agree with the majority's action in approving this proposal. Nevertheless, in my view, any subsequent acquisitions of Minnesota banks that are going concerns by the two largest banking

organizations in Minnesota would raise serious concerns with respect to the concentration of banking resources in the state.

May 27, 1981

Taney County Bancorporation, Inc.
Kansas City, Missouri

Order Denying Formation of a Bank Holding Company

Taney County Bancorporation, Inc., Kansas City, Missouri, has applied for Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 91.4 percent of the voting shares of Security Bank and Trust Company, Branson, Missouri ("Bank").

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

Applicant proposes to become the successor by merger to four companies, each of which is wholly-owned by one of Applicant's four principals and currently owns approximately 23 percent of the voting shares of Bank, which holds deposits of \$37.7 million¹. Upon acquisition of Bank, Applicant would control the 147th largest bank in Missouri and would hold approximately 0.2 percent of the total commercial bank deposits in the state.

Bank is the second largest of three commercial banks in the Taney County banking market, and holds approximately 33.2 percent of the total deposits in commercial banks in the relevant market.² While principals of Applicant are associated with three other bank holding companies, none of these companies operates banks that compete in the relevant banking market. It appears from the facts of record that consummation of the proposal would not result in any adverse effects upon competition, or increase the concentration of banking resources in the relevant area. Accordingly, the Board concludes that competi-

1 The top four banking organizations in Minnesota hold 26.8, 23.1, 2.6, and 1.9 percent, respectively, of the state's commercial bank deposits. Minnesota is also the most highly concentrated unit banking state in terms of three- and four-firm concentration, and ranks 13th and 21st respectively, among all states.

1. All banking data are as of June 30, 1980.

2. The Taney County banking market is approximated by Taney County, Missouri.

tive considerations are consistent with approval of the application.

The Board has indicated on previous occasions that a holding company should serve as a source of financial and managerial strength to its subsidiary bank(s), and that the Board would closely examine the condition of an applicant in each case with this consideration in mind. In this case the Board concludes that considerations relating to the financial resources and future prospects of Applicant and Bank warrant denial of the application. The financial and managerial resources and future prospects of the other banking organizations affiliated with Applicant and Bank are considered generally satisfactory.

With respect to Applicant's and Bank's financial considerations and future prospects, the Board notes that in connection with this proposal Applicant would incur a sizeable debt. In addition, Applicant proposes to issue preferred stock to the former controlling shareholders of Bank, and to cause Bank to issue \$1.1 million in capital, consisting of \$500 thousand in common stock and the remaining \$600 thousand either in the form of capital notes or preferred stock. After considering Applicant's proposal and possible variations in Bank's asset growth and earnings capabilities, it is the Board's judgment that Applicant would lack sufficient flexibility to service its debt, maintain adequate capital in Bank, and meet any unforeseen problems that might arise at Bank. Accordingly, the Board is of the opinion that the considerations relating to financial resources and future prospects of Applicant and Bank weigh against approval of the application. Managerial resources of Applicant and Bank are generally satisfactory and would be consistent with approval.

No significant changes in the services offered by Bank are expected to follow from consummation of the proposed transaction. Consequently, convenience and needs factors are consistent with, but lend no weight toward, approval of this application.

On the basis of the circumstances concerning this application, the Board concludes that the banking considerations involved in this proposal present adverse factors bearing upon the financial resources and future prospects of Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits to the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and the application should be denied.

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

By order of the Board of Governors, effective May 14, 1981.

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

(Signed) D. MICHAEL MANTIS,
[SEAL] *Assistant Secretary of the Board.*

Orders Under Section 4 of Bank Holding Company Act

First Union Bancorporation,
St. Louis, Missouri

Order Approving Insurance Agency Activities

First Union Bancorporation ("Applicant"), St. Louis, Missouri, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied pursuant to section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(1) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(1)), to engage de novo, through its subsidiary, Redbud Insurance Agency, Inc. ("Agency"), in the sale of property and casualty insurance directly related to extensions of credit by Applicant's banking subsidiaries in Missouri. Such nonbank activities have been determined by the Board to be closely related to banking and therefore permissible for bank holding companies (12 C.F.R. § 225.4(a)(9)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published. 45 *Federal Register* 65308 (1980). The time for filing comments and views has expired, and the application and all comments received, including those received from the Independent Insurance Agents of America, Inc. and the Independent Insurance Agents of Missouri ("Protestants"), have been considered.

Applicant is the second largest banking organization in Missouri. Through its 20 subsidiary banks located statewide, Applicant holds \$2.6 billion in combined total deposits, representing 10.3 percent of total commercial bank deposits in the state.¹ Applicant proposes to sell property and casualty insurance through its subsidiary, Redbud Insurance Agency, Inc., at 52 banking offices of Applicant located throughout Missouri. After credit has been granted, Applicant's lending officers will advise the customer that Applicant's insurance agency offers insurance coverage and, after

¹ Deposit data are as of December 31, 1979, and reflect holding company acquisitions approved through September 15, 1980.

obtaining the borrower's consent to obtain insurance through Applicant, will provide Redbud Insurance Agency, Inc. with sufficient information to make the offer of insurance coverage to the customer.

Section 4(c)(8) of the Act provides that the Board may approve a bank holding company's application to engage in a nonbanking activity only after the Board has determined that the proposed activity is so closely related to banking as to be a proper incident thereto. The Board has determined by regulation that the sale as agent of credit-related insurance is a permissible nonbank activity. This determination was affirmed in *Alabama Association on Insurance Agents v. Board of Governors*.²

To approve an application under section 4(c)(8) of the Act, the Board must also determine that the performance of the proposed activity by a nonbank subsidiary of a bank 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 or resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Consummation of this proposal will add an additional competitor to the market for property and casualty insurance because Applicant seeks to expand its insurance activities de novo. Because de novo expansion provides an additional source of competition, the Board views such expansion as being procompetitive in the absence of evidence to the contrary.³ Moreover, Applicant has committed to offer insurance at the lowest practicable cost to the customer, which is regarded as a commitment to offer the lowest practicable total cost (including the cost of billing), in relation to policy benefits. Accordingly, the de novo nature of this proposal and Applicant's commitment to offer insurance at the lowest practicable cost to the customer represent clear public benefits.

Protestants assert that Applicant's proposal would result in adverse effects that are "inherent in bank holding company sales of insurance in conjunction with extensions of credit." The Board has considered similar general allegations of adverse effects in connection with other applications by bank holding companies to engage in the sale of property and casualty

insurance and has found such allegations to be unwarranted.⁴ Moreover, at the time the activity of selling credit related insurance was added to the list of permissible activities for bank holding companies, the Board determined that, absent unusual circumstances associated with a particular application, there are as a general matter no significant adverse effects, such as voluntary tying, inherent in the performance of this activity by a bank holding company on a de novo basis. With regard to this application, Applicant has made certain commitments that eliminate any possibility of coercive or voluntary tying as an adverse effect. Specifically, Applicant has committed to observe section 106 of the Bank Holding Company Act, 12 U.S.C. § 1971-78, and section 225.4(c) of the Board's Regulation Y, 12 C.F.R. § 225.4(c), which prohibit coercive tie-in arrangements. Applicant also has committed that it will inform credit customers that insurance is available from the subsidiary only after the customer has been advised that credit has been granted. Applicant has further committed that it will advise each customer in writing that the customer may choose the source of any insurance.

The possibility of voluntary tying also is significantly reduced by the number of credit alternatives in the relevant markets. There are 3 or more banking organizations in all of the 14 markets in which Applicant competes, as well as a number of other financial intermediaries, such as savings and loan associations and credit unions.⁵ Moreover, Applicant does not hold more than 22 percent of total commercial bank deposits in any of Missouri's 5 major urban areas, and Applicant does not appear to be the dominant organization in any of these markets.

It has been determined that consummation of this proposal as described herein cannot reasonably be expected to produce any undue concentration of resources, decreased or unfair competition, conflicts of

2. 533 F.2d 224 (5th Cir. 1976), modified on rehearing, 558 F.2d 729 (1977), cert. denied, 435 U.S. 904 (1978).

3. *BankAmerica Corporation* (Decimus Corporation), 66 FEDERAL RESERVE BULLETIN 511 (1980), *Citicorp* (Person to Person), 65 FEDERAL RESERVE BULLETIN 507 (1979). The Court of Appeals for the District of Columbia Circuit affirmed the Board's conclusions regarding the procompetitive nature of de novo entry in *Connecticut Bankers Ass'n v. Board of Governors*, 627 F.2d 245 (D.C. Cir. 1980).

4. *Virginia National Bankshares, Inc.*, 66 FEDERAL RESERVE BULLETIN 668 (1980); *Mercantile Bancorporation, Inc.*, 66 FEDERAL RESERVE BULLETIN 799 (1980). In *Virginia National*, the Board also considered and rejected several other arguments that Protestant, Independent Insurance Agents of America, routinely advances before the Board and the courts. It appears unnecessary to repeat the Board's reasoning on these points, and this order adopts that reasoning.

Protestants' assertion that Applicant has understated its projections of the net earnings of Redbud Insurance Agency, Inc. resulting from its insurance sales presumably reflects Protestants' concern that Applicant would take away some of the market share of independent insurance agents. Yet "that kind of impact is only the obverse of the coin in competition," and does not require a hearing. *Connecticut Bankers Ass'n v. Board of Governors*, 627 F.2d at 256.

5. Eleven of these 14 markets have 5 or more banks. In the 2 Missouri markets that have total bank deposits of \$1 billion or more (St. Louis and Kansas City), Applicant faces competition from, respectively, 83 and 99 other banking organizations located in the market.

interests, unsound banking practices or other adverse effects. Public benefits can reasonably be expected to result from this proposal, and they are easily sufficient to outweigh any possible adverse effects, which have been found, in any event, to be unlikely to occur. Indeed, the de novo nature of this proposal alone is sufficient to outweigh the adverse effects alleged by Protestants. Accordingly, in view of the foregoing and the Board's order in *Virginia National Bankshares Inc.*, supra, it has been determined that Protestants' comments are without merit.

Although Protestants request a hearing with regard to this application, Protestants advance the same arguments to justify this request that the Board rejected in *Virginia National*. As was the case in that application, there are no material issues of fact in dispute regarding Applicant's proposal. No reliance has been placed on Applicant's claims that greater convenience or efficiency will be associated with its proposal. With regard to Protestants' assertions regarding voluntary tying and the price at which Applicant will sell insurance, the Board is prepared to ensure Applicant's compliance with the commitments it made to the Board. There is nothing in Applicant's prior conduct that casts doubt on Applicant's commitments, and these commitments eliminate any need for a hearing in this regard. Finally, Applicant has assured the Board that it has no intention of selling any type of insurance that is not permissible for bank holding companies, and there appears to be no need for a hearing regarding the scope of Applicant's proposal since its application is sufficiently specific to put competitors and the public on notice regarding its intention. On this basis, it is concluded that a formal hearing is unwarranted.

Based upon the foregoing and other considerations reflected in the record, it has been determined that the balance of the public interest factors that are required to be considered under section 4(c)(8) of the Act is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y, and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The transaction shall be made no later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Secretary of the Board, pursuant to delegated authority. In any event, the transaction shall be consummated within one year of the date of this Order.

By order of the Acting Secretary of the Board,

acting pursuant to delegated authority for the Board of Governors of the Federal Reserve System, effective May 15, 1981.

(Signed) D. MICHAEL MANIES,
[SEAL] Assistant Secretary of the Board.

Seafirst Corporation,
Seattle, Washington

*Order Approving Issuance and Sale of
Travelers Checks*

Seafirst Corporation, Seattle, Washington, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)), to engage de novo through a wholly-owned subsidiary, Seafirst Payment Services Corporation ("Corporation"), in the issuance and sale of travelers checks.

The sale at retail of travelers checks as proposed by Applicant is included on the Board's list of permissible activities for bank holding companies in Regulation Y (12 C.F.R. § 225.4(a)(13)). The issuance of travelers checks has not yet been added to the list of permissible nonbank activities; however, in connection with prior applications, the Board has determined by order that the activity of issuing travelers checks is closely related to banking and would be in the public interest. *The Chase Manhattan Corporation*, 66 FEDERAL RESERVE BULLETIN 983 (1980); *First Chicago Corporation*, 65 FEDERAL RESERVE BULLETIN 937 (1979); *Citicorp*, 65 FEDERAL RESERVE BULLETIN 666 (1979); *Republic of Texas Corporation* 62 FEDERAL RESERVE BULLETIN 630 (1976); *BankAmerica Corporation*, 59 FEDERAL RESERVE BULLETIN 544 (1973). In these earlier decisions, the Board noted that banks have, in fact, engaged in the issuance of travelers checks and have engaged in activities that are operationally and functionally similar to the proposed activity. Accordingly, the Board has determined that the issuing of travelers checks in the manner proposed by Applicant is closely related to banking.¹

Notice of the application, affording interested persons an opportunity to submit comments on the public interest factors, has been duly published. 46 *Federal Register* 17883 (1981). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

1. See *National Courier Association v. Board of Governors of the Federal Reserve System*, 516 F.2d 1229 (D.C. Cir. 1975).

Applicant is a one-bank holding company by virtue of its control of Seattle First National Bank, Seattle, Washington (deposits of \$6.4 billion) ("Bank"), the largest bank in the state, controlling 36.9 percent of the state's deposits in commercial banks.² Applicant also engages in mortgage and industrial banking, commercial lending and leasing, construction finance activities and credit related insurance activities.

Applicant proposes to issue and sell MasterCard Travelers Cheques through Corporation. Initially, these checks would be sold through Bank, although within one year Applicant intends to commence distribution of these checks through agents to be located in Washington, Oregon, Idaho, Montana, Alaska, and Colorado. The selling agents will sell the travelers checks to the public on behalf of Applicant.

The travelers check industry is highly concentrated, with the largest issuer, American Express, accounting for 50 percent of the market. The Board has previously determined, in view of the limited number of competitors currently servicing this industry, that it would be in the public interest for bank holding companies having the capability, to engage in the issuance of travelers checks. Applicant's entry into this industry should serve to enhance competition by providing this service in the markets to be served by Applicant. Accordingly, it is the Board's view that approval of this application would produce benefits to the public and would be in the public interest. Furthermore, there is no evidence in the record to indicate that Applicant's engaging in this activity would lead to any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective May 27, 1981.

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

(Signed) JAMES MCAFEE,
[SEAL] Assistant Secretary of the Board.

Orders Issued Under Section 2 of Bank Holding Company Act

Republic of Texas Corporation,
Dallas, Texas

Order Granting Determination Under the Bank Holding Company Act

Republic of Texas Corporation, Dallas, Texas ("Republic"), a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956, as amended, 12 U.S.C. § 1841(a), has requested a determination, pursuant to the provisions of section 2(g)(3) of the Bank Holding Company Act of 1956, 12 U.S.C. § 1841(g)(3) (the "Act"), that Republic is not in fact capable of controlling Hillcrest State Bank of University Park ("Hillcrest Bank") or Mr. Cam F. Dowell, the transferee of Hillcrest Bank's shares, notwithstanding the fact that Mr. Dowell is indebted to Republic National Bank of Dallas, Dallas, Texas ("Republic Bank"), a subsidiary of Republic.

Under the provisions of section 2(g)(3) of the Act, shares transferred after January 1, 1966, by a bank holding company to a transferee that is indebted to the transferor or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee.

Republic has submitted to the Board evidence to demonstrate it is not in fact capable of controlling Mr. Dowell, or Hillcrest Bank, and the Board has received no contradictory evidence. It is hereby determined that Republic is not in fact capable of controlling either Mr. Dowell, or Hillcrest Bank. This determination is based upon the evidence of record in this matter that reflects the following:

In connection with his purchase of Hillcrest Bank shares, Mr. Dowell obtained a loan secured by the shares of Hillcrest Bank, from Texas Commerce Bank, N.A. ("Commerce Bank"), an unaffiliated

2. All banking data are as of December 31, 1980.

banking organization. Republic National Bank of Dallas ("Republic Bank"), one of Republic's banking subsidiaries, purchased a non-recourse participation in this loan from Commerce Bank. Republic Bank's right under the participation agreement is limited solely to the receipt of its pro rata share of the payments. Commerce Bank has sole responsibility for the supervision of the loan agreement with Mr. Dowell.¹ In addition, as a result of an unrelated transaction, Mr. Dowell is directly obligated to Republic Bank.

It appears that the sale of Hillcrest Bank shares by Republic to Mr. Dowell was the result of arm's length negotiations, and that the terms governing the debt relationship between Mr. Dowell and Republic are usual ones limited to those reasonably necessary to protect Republic. Mr. Dowell's purchase of these shares appears to have been an investment for his own account and not as a representative or nominee of any other party.² Mr. Dowell is not an officer, director, or shareholder of Republic, or any of its subsidiaries. Republic's Board of Directors has adopted a resolution that it does not, and will not attempt to exert control over Hillcrest Bank, or Mr. Dowell. In addition, Mr. Dowell has filed an affidavit to the effect that he is not and will not be controlled by Republic, and that he will not represent their interests in his management of Hillcrest Bank. Furthermore, although Mr. Dowell's indebtedness to Republic is substantial, from the record it appears that he has sufficient personal resources to repay the indebtedness without being unduly influenced by Republic in his management of Hillcrest Bank.

Accordingly, it is ordered that the request of Republic for a determination pursuant to section 2(g)(3) is granted. This determination is based upon representations made to the Board by Republic and Mr. Dowell. In the event that the Board should hereafter determine that facts material to its determination are otherwise than as represented or that Republic or Mr. Dowell has failed to disclose to the Board other material facts, this determination may be revoked, and any other change in the facts and circumstances relied upon in making this determination could result in the Board's reconsideration of this determination.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective May 26, 1981.

(Signed) JAMES MCAFEE,
[SEAL] Assistant Secretary of the Board.

Reserve Enterprises, Inc.,
Plentywood, Montana

Order Granting Determination Under the Bank Holding Company Act

Reserve Enterprises, Inc., Plentywood, Montana ("Reserve"), a registered bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956, as amended ("BHC Act") (12 U.S.C. § 1841(a)), by virtue of its ownership of more than 25 percent of the outstanding voting shares of Montana National Bank of Plentywood, Plentywood, Montana ("Bank"), has requested a determination, pursuant to the provisions of section 2(g)(3) of the BHC Act (12 U.S.C. § 1841(g)(3)), that Reserve is not in fact capable of controlling A-A Travel Agency, Inc., Plentywood, Montana ("Agency"), a corporation to whom it transferred its travel agency assets, notwithstanding the facts that Mr. D. S. Amundson continues to serve as an officer and director of both Reserve and Agency, and Agency is indebted to Reserve.

Under the provisions of section 2(g)(3) of the BHC Act, shares transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for a hearing, determines that the transferor is not in fact capable of controlling the transferee.

It is hereby determined that Reserve is not in fact capable of controlling Agency. This determination is based upon the evidence of record in this matter, including the following facts. Under section 4(a)(2) of the BHC Act, Reserve had until December 31, 1980, to apply to retain its nonbanking interests or, alternatively, to divest of such interests. Accordingly, pursuant to a plan to divest its nonbanking interest, Reserve sold its travel service assets to Agency and presently has no managing or voting interest with respect to such assets. A majority of Reserve's shares are owned by Mr. Amundson, who exerts a dominant influence over the management of Reserve through his positions as president and director of Reserve, as well as president and chairman of Bank. Also, as there are no cumulative voting rights attached to the shares of Reserve, it appears that Mr. Amundson may control the election of all the directors of Reserve's board of directors. In addition, Mr. Amundson has the right of first refusal to

1. In the unlikely event of default by Mr. Dowell, the shares of Hillcrest Bank would revert to Commerce Bank, not Republic Bank.

2. In addition to the shares of Hillcrest Bank purchased from

Republic, Mr. Dowell also purchased Hillcrest Bank shares from the Hoblitzelle Foundation, and from Southland Life Insurance Company.

purchase his pro rata share of the remaining outstanding shares. No other shareholder owns more than five percent of Reserve's voting shares. While Agency is wholly-owned and operated by Mr. Amundson and his wife and daughter, the transfer of the travel assets to Agency does not appear to have been intended as a means for perpetuating Reserve's control over the travel assets. Indeed, Reserve has represented that Agency was operated as a service to the community and, therefore, was not easily marketable. From the record in this matter, it appears that control over Reserve and the transferred travel service assets rests with Mr. Amundson and his family as individuals. Further, there is no evidence that Reserve controls or in fact is capable of controlling Agency in its capacity as transferee of the travel service assets, or otherwise.

Accordingly, it is ordered that the request of Reserve for a determination pursuant to section 2(g)(3) be and hereby is granted. This determination is based upon the representations made to the Board by Reserve and Mr. Amundson. In the event the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that Reserve or Mr. Amundson has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts or circumstances relied upon in making this determination could result in a reconsideration of the determination made herein.

By order of the Board of Governors, acting through its General Counsel pursuant to delegated authority 12 C.F.R. § 265.2(b)(1), effective May 1, 1981.

(Signed) JAMES McAFEE,
Assistant Secretary of the Board.

SEAL]

Certifications Pursuant to the Bank Holding Company Tax Act of 1976

Southeastern Capital Corporation,
Atlanta, Georgia

Final Certification Pursuant to the Bank Holding Company Tax Act of 1976

Southeastern Capital Corporation ("Southeastern"), Atlanta, Georgia, has requested a final certification pursuant to section 6158(c)(2) of the Internal Revenue Code ("Code"), as amended by section 3(a) of the Bank Holding Company Tax Act of 1976, that it has before the expiration of the period prohibited property is permitted under the Bank Holding Company Act (12 U.S.C. § 1842 et seq.) to be held by a bank holding company) ceased to be a bank holding company.

In connection with this request, the following information is deemed relevant for purposes of issuing the requested certification.¹

1. Effective November 25, 1980, the Board issued a prior certification pursuant to section 6158(a) of the Code with respect to the proposed sale by Southeastern of 19,344.5 shares of First National Bank of McDonough ("Bank"), McDonough, Georgia, then held by Southeastern to Trust Company of Georgia, Atlanta, Georgia ("Buyer"), a registered bank holding company.

2. The Board's Order certified that:

A. Southeastern is a qualified bank holding corporation within the meaning of section 1103(b) of the Code, and satisfies the requirements of that subsection;

B. the 19,344.5 shares of Bank that Southeastern proposes to sell to Buyer are all or part of the property by reason of which Southeastern controls (within the meaning of section 2(a) of the (Bank Holding Company Act) a bank or a bank holding company; and

C. the sale of the shares of Bank is necessary or appropriate to effectuate the policies of the Bank Holding Company Act.

3. On December 30, 1980, Southeastern sold to Buyer its 19,344.5 shares of Bank.

4. The prior certification issued on November 25, 1980, was granted on the condition that no person holding an office or position as a director or officer of Southeastern will hold any such office or position with Bank or Buyers, and that Buyer would not be indebted to Southeastern. Southeastern has represented that all such interlocking relationships between it and Bank were terminated, effective December 30, 1980, and that Buyer is not indebted to Southeastern.

5. Southeastern does not directly or indirectly own, control or have power to vote 5 percent or more of any class of voting securities of any bank or any company that controls a bank.

6. Southeastern has represented that it does not control in any manner the election of majority of directors, or exercise a controlling influence over the management or policies of Bank or any other bank or any company that controls a bank.

On the basis of the foregoing information it is hereby certified that Southeastern has (before the expiration

1. This information derives from Southeastern's correspondence with the Board concerning its request for this certification, Southeastern's Registration Statement filed with the Board pursuant to the Bank Holding Company Act, and other records of the Board.

of the period prohibited property is permitted under the Bank Holding Company Act to be held by a bank holding company) ceased to be a bank holding company, and has disposed of all its banking property.

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

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective May 13, 1981.

(Signed) JAMES MCAFEE,
[SEAL] Assistant Secretary of the Board.

National Insurance Agency, Inc.,
Pratt, Kansas

Final Certification Pursuant to the Bank Holding Company Tax Act of 1976

National Insurance Agency, Inc. ("NIA"), Pratt, Kansas, has requested a final certification pursuant to section 1101(e) of the Internal Revenue Code ("Code"), as amended by section 2(a) of the Bank Holding Company Tax Act of 1976, that it has (before the expiration of the period prohibited property is permitted under the Bank Holding Company Act (12 U.S.C. § 1842 et seq.) to be held by a bank holding company) ceased to be a bank holding company.

In connection with this request, the following information is deemed relevant for purposes of issuing the requested certification.¹

1. Effective October 29, 1980, the Board issued a prior certification pursuant to section 1101(b) of the Code with respect to the proposed divestiture by NIA of 400 shares of The Coats State Bank ("Bank"), Pratt, Kansas, then held by NIA, through the pro rata distribution of such shares to NIA's shareholders.

2. The Board's Order certified that:

A. NIA is a qualified bank holding corporation

within the meaning of section 1103(b) of the Code, and satisfies the requirements of that subsection; B. The 400 shares of Bank that NIA proposes to distribute to its shareholders are all or part of the property by reason of which NIA controls (within the meaning of section 2(a) of the Bank Holding Company Act) a bank or a bank holding company; and

C. The distribution of the shares of Bank is necessary or appropriate to effectuate the policies of the Bank Holding Company Act.

3. On December 17, 1980, NIA distributed to its shareholders on a pro rata basis the 400 shares of Bank.

4. The prior certification issued on October 29, 1980, was granted on the condition that no person holding an office or position as a director or officer of NIA as a director, officer, policy-making employee, or management consultant, or who performs (directly or through an agent, representative, or a nominee) functions comparable to those normally associated with such office or position, will hold any such office or position or perform any such function with Bank. NIA has represented that all such interlocking relationships between it and Bank were terminated, effective December 10, 1980.

5. Principals of NIA and Bank have submitted affidavits stating that they will vote the shares of Bank distributed to them only in their individual capacities and not on behalf of NIA.

On the basis of the foregoing information, it is hereby certified that NIA has (before the expiration of the period prohibited property is permitted under the Bank Holding Company Act to be held by a bank holding company) ceased to be a bank holding company.

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

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective May 13, 1981.

(Signed) JAMES MCAFEE,
[SEAL] Assistant Secretary of the Board.

¹ This information derives from NIA's correspondence with the Board concerning its request for this certification, NIA's Registration Statement filed with the Board pursuant to the Bank Holding Company Act, and other records of the Board.

*ORDERS APPROVING APPLICATIONS UNDER THE BANK HOLDING COMPANY ACT
AND BANK MERGER ACT*

By the Board of Governors

During May 1981, the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

| Applicant | Bank(s) | Board action (effective date) |
|--|---|----------------------------------|
| First Clarion Bancorporation, Clarion, Iowa | The First National Bank of Clarion, Clarion, Iowa | May 12, 1981 |
| Merchantile Bankshares Corporation, Baltimore, Maryland | St. Michaels Bank, St. Michaels, Maryland | May 28, 1981 |
| Merchantile Bankshares Corporation, Baltimore, Maryland | The Forest Hill State Bank, Forest Hill, Maryland | May 28, 1981 |
| Rice Lake Bancorp, Inc., Rice Lake, Wisconsin | Dairy State Bank, Rice Lake, Wisconsin | May 4, 1981 |

Section 4

| Applicant | Nonbanking company (or activity) | Effective date |
|---|--|----------------|
| National Bank of Canada, Montreal, Quebec, Canada | to engage in mortgage banking activities through a Seattle, Washington office of Laurentide Financial Realty Corporation | May 27, 1981 |
| Otto Bremer Foundation, St. Paul, Minnesota Otto Bremer Company, St. Paul, Minnesota | to retain the assets and offices of McCarty Insurance Agency, and Washburn Agency | May 28, 1981 |
| Utah Bancorporation, Salt Lake City, Utah | Holladay Thrift and Loan, Salt Lake City, Utah | May 4, 1981 |

By Federal Reserve Banks

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

Section 3

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|---|--------------|----------------|
| Acadiana Baneshares, Inc., Lafayette, Louisiana | American Bank & Trust Company, Lafayette, Louisiana | Atlanta | April 30, 1981 |
| Army National Baneshares, Inc., Fort Leavenworth, Kansas | Army National Bank, Fort Leavenworth, Kansas | Kansas City | May 4, 1981 |
| Auburn Baneshares, Inc., Auburn, Iowa | Auburn Savings Bank, Auburn, Iowa | Chicago | May 4, 1981 |
| Boone Bancorp, Inc., Belvidere, Illinois | Boone State Bank, Belvidere, Illinois | Chicago | May 5, 1981 |
| Banks of Iowa, Inc., Des Moines, Iowa | Fort Madison Bank & Trust Co., Fort Madison, Iowa | Chicago | May 11, 1981 |
| Camden County Baneshares, Inc., Camdenton, Missouri | Camden County Bank, Camdenton, Missouri | St. Louis | May 15, 1981 |
| Campbell State Company, Campbell, Nebraska | Campbell State Bank, Campbell, Nebraska | Kansas City | April 20, 1981 |
| Citizens Banking Corporation, Flint, Michigan | Citizens Commercial & Savings Bank, Flint, Michigan | Chicago | May 7, 1981 |
| Citizens Greenville Baneshares, Inc., Greenville, Texas | The Citizens National Bank of Greenville, Greenville, Texas | Dallas | May 11, 1981 |
| East Texas Baneshares, Inc., Tyler, Texas | Peoples National Bank of Sulphur Springs, Sulphur Springs, Texas | Dallas | May 5, 1981 |
| Community Baneshares, Inc., McArthur, Ohio | The Vinton County National Bank of McArthur, McArthur, Ohio | Cleveland | May 19, 1981 |
| Equality Bankshares, Cheyenne, Wyoming | The Equality State Bank, Cheyenne, Wyoming | Kansas City | May 8, 1981 |
| Financial Baneshares, Inc., St. Louis, Missouri | Chippewa Bank, St. Louis, Missouri <i>Citizens Bank of Dexter,</i> Dexter, Missouri Schmid Brothers Investment Com- pany, Inc., St. Louis, Missouri | St. Louis | May 4, 1981 |
| First Baird Baneshares, Inc., Baird, Texas | The First National Bank of Baird, Baird, Texas | Dallas | May 28, 1981 |
| First Canadian Bancorp, Inc., Canadian, Texas | The First National Bank of Canadri- an, Canadian, Texas | Dallas | May 8, 1981 |
| First Cary-Grove Corp., Cary, Illinois | First Security Bank of Cary-Grove, Cary, Illinois | Chicago | April 28, 1981 |
| First DeKalb Baneshares, Inc., DeKalb, Illinois | First National Bank in DeKalb, DeKalb, Illinois | Chicago | May 11, 1981 |

Section 3—Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
|--|--|--------------|----------------|
| First Delta Corporation, Helena, Arkansas | First National Bank of Phillips County, Helena, Arkansas | St. Louis | May 22, 1981 |
| First Glen Bancorp, Inc., Glens Falls, New York | The First National Bank of Glens Falls, Glens Falls, New York | New York | May 26, 1981 |
| First Jersey National Corporation, Jersey City, New Jersey | The Bank of New Jersey, N.A., Moorestown, New Jersey | New York | May 29, 1981 |
| The First National Bancorporation, Inc. Denver, Colorado | The First National Bank of the Southwest, Jefferson County, Colorado | Kansas City | April 29, 1981 |
| First of Huron Corp., Bad Axe, Michigan | First National Bank of Bad Axe, Bad Axe, Michigan | Chicago | May 4, 1981 |
| First Picher Bancshares, Inc., Picher, Oklahoma | First State Bank, Picher, Oklahoma | Kansas City | April 27, 1981 |
| First South Bankcorp, Columbus, Georgia | Farmers and Merchants Bank, Pine Mountain, Georgia | Atlanta | May 7, 1981 |
| Fort Cobb Bancshares, Inc., Fort Cobb, Oklahoma | Washita Valley Bank, Fort Cobb, Oklahoma | Kansas City | May 8, 1981 |
| Fox Valley Bancorp, Inc., Montgomery, Illinois | Bank of Montgomery, Montgomery, Illinois | Chicago | May 4, 1981 |
| Keewatin Bancorporation, Inc., Keewatin, Minnesota | The First National Bank of Keewa- tin, Keewatin Minnesota | Minneapolis | May 22, 1981 |
| Lakeland Bancshares, Inc., Sunrise Beach, Missouri | Lakeland State Bank, Sunrise Beach, Missouri | St. Louis | May 4, 1981 |
| Lakeville Financial Services, Inc., Lakeville, Minnesota | First Lakeville State Bank, Lakeville, Minnesota | Minneapolis | May 28, 1981 |
| Leavcorp, Inc., Leavenworth, Kansas | The Leavenworth National Bank and Trust Company, Leavenworth, Kansas | Kansas City | May 1, 1981 |
| Niceville Bankshares, Niceville, Florida | First National Bank of Niceville, Niceville, Florida | Atlanta | May 7, 1981 |
| National Bancshares Corporation of Texas, San Antonio, Texas | Republic National Bank of Austin, Austin, Texas | Dallas | May 28, 1981 |
| North Central Bancorporation, Mason City, Iowa | North Iowa State Bank, Belmond, Iowa | Chicago | May 8, 1981 |
| Orchard Valley Financial Corp., Englewood, Colorado | The First State Bank of Hotchkiss, Hotchkiss, Colorado | Kansas City | April 23, 1981 |
| Peoples Bancshares, Inc., Pell City, Alabama | The Peoples Bank, Pell City, Alabama | Atlanta | May 4, 1981 |
| Perham State Bancshares, Perham, Minnesota | Perham State Bank, Perham, Minnesota | Minneapolis | May 22, 1981 |
| Pike Bancorp, Inc., Pittsfield, Illinois | Farmers State Bank, Pittsfield, Illinois | St. Louis | May 8, 1981 |
| Red Oak Bancshares, Inc., Red Oak, Texas | Red Oak State Bank, Red Oak, Texas | Dallas | May 20, 1981 |

Section 3--Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|---|--------------|----------------|
| Security BancShares of Montana, Inc., Billings, Montana | First Citizens Bank of Miles City, Miles City, Montana | Minneapolis | May 27, 1981 |
| Tomball Bancshares, Inc., Tomball, Texas | First Bank & Trust, Tomball, Texas | Dallas | May 5, 1981 |
| United Bancshares, Inc., Chattanooga, Tennessee | United Bank of Chattanooga, Chattanooga, Tennessee | Atlanta | May 26, 1981 |
| United Bankshares, Inc., Miami, Florida | United National Bank of Miami, Miami, Florida | Atlanta | May 29, 1981 |
| United Texas Financial Corporation, Wichita Falls, Texas | First State Bank in Archer City, Archer City, Texas | Dallas | May 5, 1981 |
| Zappeo, Inc., St. Cloud, Minnesota | Zapp National Bank of St. Cloud, St. Cloud, Minnesota | Minneapolis | May 22, 1981 |

Sections 3 and 4

| Applicant | Bank(s) | Nonbanking company (or activity) | Reserve Bank | Effective date |
|---|--|---|--------------|----------------|
| Gibbon Exchange Company, Gibbon, Nebraska | Exchange Bank, Gibbon, Nebraska Gibbon Insurance Agency, Gibbon, Nebraska | to engage in the sale of general insurance in a community of less than 5,000 population | Kansas City | April 29, 1981 |
| Veblen Insurance Company, Inc., Veblen, South Dakota | The Bank of Veblen, Veblen, South Dakota | to continue to engage in general insurance activities in a town of less than 5,000 population | Minneapolis | May 21, 1981 |

Section 4

| Applicant | Nonbanking company (or activity) | Effective date |
|--|---|----------------|
| European American Bancorp, New York, New York | Dorman & Wilson, Inc., White Plains, New York | May 14, 1981 |
| Philadelphia National Corporation, Philadelphia, Pennsylvania | Mortgage Bankers Service Corporation, Monterey, California | May 20, 1981 |
| Continental Illinois Corporation, Chicago, Illinois | Drillamex, Inc., New York, New York | May 26, 1981 |

ORDERS APPROVED UNDER BANK MERGER ACT

By the Board of Governors

| Applicant | Bank(s) | Reserve Bank | Effective date |
|--|---|--------------|----------------|
| Miles State Bank St. Michaels, Maryland | St. Michaels Bank St. Michaels, Maryland | | May 28, 1981 |
| Suisse State Bank Forest Hill, Maryland | The Forest Hill State Bank Forest Hill, Maryland | | May 28, 1981 |

By Federal Reserve Banks

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|--|--------------|-------------------|
| First Virginia Bank of Roanoke Valley, Roanoke, Virginia | First Virginia Bank—West, Narrows, Virginia | Richmond | April 9, 1981 |
| GSB Bank, Gaylord, Michigan | Gaylord State Bank, Gaylord, Michigan | Chicago | March 27, 1981 |

PENDING CASES INVOLVING THE BOARD OF GOVERNORS*

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

Louis J. Roussel v. Board of Governors, filed May 1981, U.S.C.A. for the District of Columbia.

Wilshire Oil Company of Texas v. Board of Governors, et al., filed April 1981, U.S.C.A. for the Third Circuit.

People of the State of Arkansas v. Board of Governors, et al., filed March 1981, U.S.C.A. for the Western District of Arkansas.

First Bank & Trust Company v. Board of Governors, filed February 1981, U.S.D.C. for the Eastern District of Kentucky.

Ellis E. St. Rose & James H. Sibbet v. Board of Governors, filed February 1981, U.S.D.C. for the District of Columbia.

Option Advisory Service, Inc. v. Board of Governors, et al., filed February 1981, U.S.C.A. for the Second Circuit.

9 to 5 Organization for Women Office Workers v. Board of Governors, filed December 1980, U.S.D.C. for the District of Massachusetts.

Securities Industry Association v. Board of Governors, et al., filed October 1980, U.S.D.C. for the District of Columbia.

Securities Industry Association v. Board of Governors, et al., filed October 1980, U.S.C.A. for the District of Columbia.

A. G. Becker, Inc. v. Board of Governors, et al., filed October 1980, U.S.D.C. for the District of Columbia.

A. G. Becker, Inc. v. Board of Governors, et al., filed October 1980, U.S.C.A. for the District of Columbia.

Independent Insurance of America and Independent Insurance Agents of Missouri v. Board of Governors, filed September 1980, U.S.C.A. for the Eighth Circuit.

Independent Insurance Agents of America and Independent Insurance Agents of Virginia v. Board of Governors, filed September 1980, U.S.C.A. for the Fourth Circuit.

Nebraska Bankers Association, et al. v. Board of Governors, et al., filed September 1980, U.S.D.C. for the District of Nebraska.

Republic of Texas Corporation v. Board of Governors, filed September 1980, U.S.C.A. for the Fifth Circuit.

A. G. Becker, Inc. v. Board of Governors, et al., filed August 1980, U.S.D.C. for the District of Columbia.

Otero Savings and Loan Association v. Board of Governors, filed August 1980, U.S.D.C. for the District of Columbia.

Edwin F. Gordon v. Board of Governors, et al., filed August 1980, U.S.C.A. for the Fifth Circuit.

U.S. League of Savings Associations v. Depository Institutions Deregulation Committee, et al., filed June 1980, U.S.D.C. for the District of Columbia.

Berkovitz, et al. v. Government of Iran, et al., filed June 1980, U.S.D.C. for the Northern District of California.

Mercantile Texas Corporation v. Board of Governors, filed May 1980, U.S.C.A. for the Fifth Circuit.

Corbin, Trustee v. United States, filed May 1980, United States Court of Claims.

Ulysses S. Crockett v. United States, et al., filed April 1980, U.S.D.C. for the Eastern District of North Carolina.

County National Bancorporation and TGB Co. v. Board of Governors, filed September 1979, U.S.C.A. for the Eighth Circuit.

Donald W. Riegel, Jr. v. Federal Open Market Committee, filed July 1979, U.S.D.C. for the District of Columbia.

Security Bancorp and Security National Bank v. Board of Governors, filed March 1978, U.S.C.A. for the Ninth Circuit.

Roberts Farms, Inc. v. Comptroller of the Currency, et al., filed November 1975, U.S.D.C. for the Southern District of California.

David Merrill, et al. v. Federal Open Market Committee, filed May 1975, U.S.D.C. for the District of Columbia.

Financial and Business Statistics

CONTENTS

Domestic Financial Statistics

- A3 Monetary aggregates and interest rates
- A4 Reserves of depository institutions, reserve bank credit
- A5 Reserves and borrowings of depository institutions
- A6 Federal funds and repurchase agreements of large member banks

POLICY INSTRUMENTS

- A7 Federal Reserve Bank interest rates
- A8 Depository institutions reserve requirements
- A9 Maximum interest rates payable on time and savings deposits at federally insured institutions
- A10 Federal Reserve open market transactions

FEDERAL RESERVE BANKS

- A11 Condition and Federal Reserve note statements
- A12 Maturity distribution of loan and security holdings

MONETARY AND CREDIT AGGREGATES

- A12 Bank debits and deposit turnover
- A13 Money stock measures and components
- A14 Aggregate reserves of depository institutions and member bank deposits
- A15 Loans and securities of all commercial banks

COMMERCIAL BANKS

- A16 Major nondeposit funds
- A17 Assets and liabilities, last Wednesday-of-month series

WEEKLY REPORTING COMMERCIAL BANKS

Assets and liabilities

- A18 All reporting banks
- A19 Banks with assets of \$1 billion or more
- A20 Banks in New York City
- A21 Balance sheet memoranda
- A22 Commercial and industrial loans
- A23 Gross demand deposits of individuals, partnerships, and corporations

FINANCIAL MARKETS

- A23 Commercial paper and bankers dollar acceptances outstanding
- A24 Prime rate charged by banks on short-term business loans
- A24 Terms of lending at commercial banks
- A25 Interest rates in money and capital markets
- A26 Stock market—Selected statistics
- A27 Savings institutions—Selected assets and liabilities

FEDERAL FINANCE

- A28 Federal fiscal and financing operations
- A29 U.S. budget receipts and outlays
- A30 Federal debt subject to statutory limitation
- A30 Gross public debt of U.S. Treasury—Types and ownership
- A31 U.S. government marketable securities—Ownership, by maturity
- A32 U.S. government securities dealers—Transactions, positions, and financing
- A33 Federal and federally sponsored credit agencies—Debt outstanding

*SECURITIES MARKETS AND
CORPORATE FINANCE*

- A34 New security issues—State and local governments and corporations
- A35 Open-end investment companies—Net sales and asset position
- A35 Corporate profits and their distribution
- A36 Nonfinancial corporations—Assets and liabilities
- A36 Total nonfarm business expenditures on new plant and equipment
- A37 Domestic finance companies—Assets and liabilities; business credit

REAL ESTATE

- A38 Mortgage markets
- A39 Mortgage debt outstanding

CONSUMER INSTALLMENT CREDIT

- A40 Total outstanding and net change
- A41 Extensions and liquidations

FLOW OF FUNDS

- A42 Funds raised in U.S. credit markets
- A43 Direct and indirect sources of funds to credit markets

Domestic Nonfinancial Statistics

- A44 Nonfinancial business activity—Selected measures
- A44 Output, capacity, and capacity utilization
- A45 Labor force, employment, and unemployment
- A46 Industrial production—Indexes and gross value
- A48 Housing and construction
- A49 Consumer and producer prices
- A50 Gross national product and income
- A51 Personal income and saving

International Statistics

- A52 U.S. international transactions—Summary
- A53 U.S. foreign trade
- A53 U.S. reserve assets

- A54 Foreign branches of U.S. banks—Balance sheet data
- A56 Selected U.S. liabilities to foreign official institutions

REPORTED BY BANKS IN THE UNITED STATES

- A56 Liabilities to and claims on foreigners
- A57 Liabilities to foreigners
- A59 Banks' own claims on foreigners
- A60 Banks' own and domestic customers' claims on foreigners
- A60 Banks' own claims on unaffiliated foreigners
- A61 Claims on foreign countries—Combined domestic offices and foreign branches

SECURITIES HOLDINGS AND TRANSACTIONS

- A62 Marketable U.S. Treasury bonds and notes—Foreign holdings and transactions
- A62 Foreign official assets held at Federal Reserve Banks
- A63 Foreign transactions in securities

*REPORTED BY NONBANKING BUSINESS
ENTERPRISES IN THE UNITED STATES*

- A64 Liabilities to unaffiliated foreigners
- A65 Claims on unaffiliated foreigners

INTEREST AND EXCHANGE RATES

- A66 Discount rates of foreign central banks
- A66 Foreign short-term interest rates
- A66 Foreign exchange rates

*A67 Guide to Tabular Presentation,
Statistical Releases, and Special Tables*

Special Tables

- A68 Assets and liabilities of U.S. branches and agencies of foreign banks, December 31, 1980

1.10 MONETARY AGGREGATES AND INTEREST RATES

| Item | 1980 | | | 1981 | 1980 | 1981 | | | |
|--|-------|-------|-------|------------------|-------|-------------------|-------------------|-------------------|-------|
| | Q2 | Q3 | Q4 | Q1 | Dec. | Jan | Feb. | Mar. | Apr. |
| Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)¹ | | | | | | | | | |
| <i>Reserves of depository institutions</i> | | | | | | | | | |
| 1 Total | 4 | 6.7 | 16.5 | 2.0 | 1.6 | -1.0 | -14.6 | 11.9 | .0 |
| 2 Required | 7 | 5.8 | 15.2 | 2.5 | -1 | -7 | -3.9 | 5.9 | 7.2 |
| 3 Nonborrowed | 7.4 | 12.4 | 7.2 | 6.8 | 13.4 | 8.2 | -12.4 | 21.9 | -10.4 |
| 4 Monetary base ² | 5.6 | 9.5 | 10.6 | 5.6 | 4.9 | 4.4 | 2.3 | 7.3 | 7.5 |
| <i>Concepts of money and liquid assets³</i> | | | | | | | | | |
| 5 M1-A | -4.8 | 11.5 | 8.0 | -18.6 | -11.7 | -34.7 | -21.5 | -5.2 | 0.3 |
| 6 M1-B | -2.9 | 13.9 | 10.9 | 6.6 | -9.8 | 13.7 | 8.7 | 11.2 | 18.7 |
| 7 M2 | 5.4 | 15.7 | 8.1 | 8.4 | 1.2 | 9.3 | 9.8 | 15.6 ^r | 12.6 |
| 8 M3 | 6.0 | 13.1 | 10.3 | 12.0 | 6.9 | 16.2 | 10.8 | 9.6 ^r | 9.8 |
| 9 L | 6.8 | 9.9 | 10.7 | 12.4 | 9.5 | 16.8 ^r | 10.6 ^r | 4.3 | n.a. |
| <i>Time and savings deposits</i> | | | | | | | | | |
| <i>Commercial banks</i> | | | | | | | | | |
| 10 Total | 10.8 | 5.8 | 12.9 | 15.4 | 18.9 | 21.0 | 7.7 | 0.6 | 5.6 |
| 11 Savings ⁴ | -21.4 | 22.9 | 1.7 | -31.2 | -38.8 | -53.0 | -23.0 | -9.7 | -2.1 |
| 12 Small-denomination time ⁵ | 33.2 | 2.9 | 15.4 | 30.0 | 35.4 | 41.4 | 14.2 | 16.0 | 4.2 |
| 13 Large-denomination time ⁶ | 12.6 | -3.3 | 18.8 | 34.2 | 44.6 | 51.4 | 20.1 | -10.1 | 12.0 |
| 14 Thrift institutions ⁷ | 4.7 | 10.1 | 9.7 | 5.1 ^r | 10.0 | 3.9 | 1.3 | 1.5 ^r | -1.7 |
| 15 Total loans and securities at commercial banks ⁸ | 0 | 6.7 | 14.7 | 11.8 | 12.8 | 15.7 | 8.1 | -6 | 4.5 |
| Interest rates (levels, percent per annum) | | | | | | | | | |
| <i>Short-term rates</i> | | | | | | | | | |
| 16 Federal funds ⁹ | 12.69 | 9.83 | 15.85 | 16.57 | 19.08 | 15.93 | 14.70 | 15.72 | 18.52 |
| 17 Discount window borrowing ¹⁰ | 12.45 | 10.35 | 11.78 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.87 |
| 18 Treasury bills (3-month market yield) ¹¹ | 9.62 | 9.15 | 13.61 | 14.39 | 15.02 | 14.79 | 13.36 | 13.69 | 16.30 |
| 19 Commercial paper (3-month) ^{11,12} | 11.18 | 9.65 | 15.26 | 15.34 | 16.58 | 15.49 | 13.94 | 14.56 | 17.56 |
| <i>Long-term rates</i> | | | | | | | | | |
| <i>Bonds</i> | | | | | | | | | |
| 20 U.S. government ¹³ | 10.58 | 10.95 | 12.23 | 12.74 | 12.29 | 12.98 | 12.94 | 13.46 | 13.82 |
| 21 State and local government ¹⁴ | 7.95 | 8.58 | 9.59 | 9.97 | 9.66 | 10.10 | 10.16 | 10.62 | 10.78 |
| 22 Aaa utility (new issue) ¹⁵ | 11.77 | 12.20 | 13.49 | 14.45 | 14.12 | 14.90 | 14.71 | 15.68 | 15.81 |
| 23 Conventional mortgages ¹⁶ | 12.70 | 13.12 | 14.62 | 15.10 | 14.95 | 15.10 | 15.25 | 15.70 | 16.35 |

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter. Growth rates for member bank reserves are adjusted for discontinuities in series that result from changes in Regulations D and M.

2. Includes reserve balances at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions.

3. M1-A: Averages of daily figures for (1) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float, and (2) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks.

M1-B: M1-A plus negotiable order of withdrawal and automated transfer service accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M2: M1-B plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and money market mutual fund shares.

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.

L: M3 plus other liquid assets such as term Eurodollars held by U.S. residents other than banks, bankers acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U.S. savings bonds.

4. Savings deposits exclude NOW and ATS accounts at commercial banks.

5. Small-denomination time deposits are those issued in amounts of less than \$100,000.

6. Large-denomination time deposits are those issued in amounts of \$100,000 or more.

7. Savings and loan associations, mutual savings banks, and credit unions.

8. Changes calculated from figures shown in table 1.23.

9. Averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).

10. Rate for the Federal Reserve Bank of New York.

11. Quoted on a bank-discount basis.

12. Unweighted average of offering rates quoted by at least five dealers.

13. Market yields adjusted to a 20-year maturity by the U.S. Treasury.

14. Bond Buyer series for 20 issues of mixed quality.

15. Weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis. Federal Reserve compilations.

16. Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development.

A4 Domestic Financial Statistics □ June 1981

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

| Factors | End of Month figures | | | Wednesday Figures | | | | | | |
|---|----------------------|----------------|--|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1981 | | | 1981 | | | | | | |
| | Mar P | Apr P | May P | Apr 15P | Apr 22P | Apr 29P | May 6P | May 13P | May 20P | May 27P |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 Reserve bank credit outstanding | 140,919 | 143,648 | 144,065 | 143,214 | 146,123 | 144,630 | 145,009 | 143,559 | 145,178 | 143,990 |
| 2 U.S. government securities ¹ | 118,098 | 120,008 | 119,937 | 119,785 | 122,542 | 119,678 | 120,593 | 118,191 | 121,587 | 120,112 |
| 3 Bought outright | 118,033 | 119,468 | 119,819 | 119,785 | 120,841 | 119,095 | 120,071 | 118,191 | 121,587 | 120,112 |
| 4 Held under repurchase agreements | 65 | 540 | 118 | | 1,701 | 583 | 522 | | | |
| 5 Federal agency securities | 8,751 | 8,775 | 8,738 | 8,720 | 8,839 | 8,835 | 8,800 | 8,720 | 8,720 | 8,720 |
| 6 Bought outright | 8,734 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 |
| 7 Held under repurchase agreements | 17 | 55 | 18 | | 119 | 115 | 80 | | | |
| 8 Acceptances | 35 | 69 | 20 | | 156 | 112 | 89 | | | |
| 9 Loans | 1,004 | 1,343 | 2,154 | 1,142 | 864 | 2,278 | 2,471 | 1,734 | 1,975 | 2,923 |
| 10 Float | 2,925 | 3,195 | 3,085 | 3,419 | 3,439 | 3,244 | 2,508 | 4,295 | 3,044 | 2,371 |
| 11 Other Federal Reserve assets | 10,106 | 10,258 | 10,131 | 10,147 | 10,283 | 10,483 | 10,549 | 10,619 | 9,851 | 9,864 |
| 12 Gold stock | 11,156 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 |
| 13 Special drawing rights certificate account | 2,653 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 |
| 14 Treasury currency outstanding | 13,506 | 13,538 | 13,544 | 13,516 | 13,524 | 13,530 | 13,610 | 13,539 | 13,543 | 13,551 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 15 Currency in circulation | 132,553 | 134,553 | 135,631 | 134,983 | 135,045 | 134,344 | 134,783 | 135,775 | 135,742 | 135,958 |
| 16 Treasury cash holdings | 472 | 498 | 509 | 496 | 500 | 503 | 510 | 514 | 509 | 506 |
| Deposits, other than member bank reserves, with Federal Reserve Banks | | | | | | | | | | |
| 17 Treasury | 3,045 | 3,353 | 3,210 | 3,033 | 3,969 | 3,536 | 4,175 | 3,299 | 3,119 | 2,830 |
| 18 Foreign | 319 | 411 | 342 | 347 | 393 | 300 | 300 | 555 | 274 | 258 |
| 19 Other | 342 | 295 | 283 | 285 | 320 | 301 | 353 | 271 | 276 | 241 |
| 20 Other Federal Reserve liabilities and capital | 4,782 | 4,875 | 4,784 | 4,893 | 4,897 | 4,927 | 4,728 | 4,711 | 4,938 | 4,884 |
| 21 Reserve accounts ² | 26,722 | 27,173 | 26,822 | 26,665 | 28,496 | 27,940 | 27,741 | 25,944 | 27,834 | 26,835 |
| Monthly averages of daily figures | | | Weekly averages of daily figures for week-ending | | | | | | | |
| 1981 | | | 1981 | | | | | | | |
| | Mar | Apr | May | Apr 15 | Apr 22 | Apr 29 | May 6 | May 13 | May 20 | May 27 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 22 Reserve bank credit outstanding | 141,272 | 143,452 | 140,540 | 146,497 | 150,722 | 156,848 | 145,828 | 143,456 | 148,131 | 141,814 |
| 23 U.S. government securities ¹ | 118,043 | 119,687 | 118,311 | 120,036 | 126,168 | 122,897 | 120,787 | 116,292 | 122,239 | 117,193 |
| 24 Bought outright | 117,666 | 119,687 | 118,311 | 120,036 | 120,465 | 120,037 | 120,787 | 116,292 | 122,239 | 117,193 |
| 25 Held under repurchase agreements | 377 | | | | 5,703 | 2,860 | | | | |
| 26 Federal agency securities | 8,779 | 8,720 | 8,720 | 8,720 | 9,152 | 9,286 | 8,720 | 8,720 | 8,720 | 8,720 |
| 27 Bought outright | 8,722 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 |
| 28 Held under repurchase agreements | 57 | | | | 432 | 566 | | | | |
| 29 Acceptances | 298 | | | | 446 | 549 | | | | |
| 30 Loans | 656 | 2,333 | 1,366 | 3,208 | 1,306 | 8,572 | 1,988 | 3,683 | 3,847 | 1,851 |
| 31 Float | 3,261 | 2,156 | 2,542 | 4,205 | 3,160 | 4,926 | 3,757 | 3,820 | 3,440 | 4,082 |
| 32 Other Federal Reserve assets | 10,235 | 10,556 | 9,601 | 10,328 | 10,490 | 10,618 | 10,576 | 10,941 | 9,885 | 9,968 |
| 33 Gold stock | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 |
| 34 Special drawing rights certificate account | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 |
| 35 Treasury currency outstanding | 14,002 | 14,061 | 13,555 | 13,516 | 13,529 | 13,534 | 13,539 | 13,539 | 13,549 | 13,555 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 36 Currency in circulation | 133,915 | 134,991 | 135,908 | 135,496 | 135,078 | 134,701 | 135,610 | 136,285 | 136,040 | 136,624 |
| 37 Treasury cash holdings | 494 | 508 | 502 | 497 | 498 | 508 | 516 | 512 | 507 | 501 |
| Deposits, other than member bank reserves, with Federal Reserve Banks | | | | | | | | | | |
| 38 Treasury | 3,032 | 4,460 | 2,288 | 2,296 | 3,089 | 5,737 | 3,141 | 3,692 | 3,085 | 2,880 |
| 39 Foreign | 474 | 476 | 346 | 388 | 319 | 326 | 312 | 286 | 270 | 299 |
| 40 Other | 313 | 311 | 275 | 341 | 316 | 266 | 277 | 240 | 221 | 245 |
| 41 Other Federal Reserve liabilities and capital | 4,855 | 4,674 | 4,444 | 4,650 | 4,965 | 5,002 | 4,557 | 4,617 | 4,652 | 4,707 |
| 42 Reserve accounts ² | 26,164 | 26,063 | 24,304 | 30,317 | 33,957 | 37,813 | 28,926 | 25,334 | 30,877 | 24,084 |

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

² Includes reserve balances of all depository institutions.
NOTE: For amounts of currency and coin held as reserves, see table 1.12.

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

| Reserve classification | Monthly averages of daily figures | | | | | | | | | |
|--|--|--------------------|--------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
| | 1979 | 1980 | | | | 1981 | | | | |
| | Dec | Sept | Oct | Nov | Dec | Jan ¹ | Feb ¹ | Mar ¹ | Apr ¹ | May ¹ |
| 1 Reserve balances with Reserve Banks ¹ | 32,473 | 29,164 | 29,976 | 29,215 | 26,664 | 27,114 | 26,591 | 26,722 | 27,117 | 26,822 |
| 2 Total vault cash (estimated) | | | | 15,311 | 18,149 | 19,293 | 17,824 | 17,327 | 17,189 | 17,773 |
| 3 Vault cash at institutions with required reserve balances ² | 11,344 | 11,811 | 11,678 | 11,876 | 12,602 | 13,587 | 12,187 | 11,687 | 11,687 | 12,124 |
| 4 Vault cash equal to required reserves at other institutions | n.a. | n.a. | n.a. | 439 | 704 | 700 | 763 | 1,237 | 1,204 | 1,310 |
| 5 Surplus vault cash at other institutions ³ | n.a. | n.a. | n.a. | 2,996 | 4,843 | 5,006 | 4,874 | 4,403 | 4,298 | 4,339 |
| 6 Reserve balances + total vault cash ⁴ | 43,972 | 41,164 | 41,815 | 44,674 | 44,940 | 46,520 | 44,524 | 44,155 | 44,395 | 44,683 |
| 7 Reserve balances + total vault cash used to satisfy reserve requirements ^{1,5} | n.a. | n.a. | n.a. | 41,678 | 40,097 | 41,514 | 39,650 | 39,752 | 40,097 | 40,344 |
| 8 Required reserves (estimated) | 43,578 | 40,908 | 41,498 | 40,723 | 40,067 | 41,025 | 39,448 | 39,372 | 40,071 | 40,213 |
| 9 Excess reserve balances at Reserve Banks ^{1,6} | 394 | 256 | 317 | 955 | 30 | 489 | 202 | 380 | 26 | 131 |
| 10 Total borrowings at Reserve Banks | 1,473 | 1,311 | 1,335 | 2,156 | 1,617 | 1,405 | 1,278 | 1,004 | 1,341 | 2,154 |
| 11 Seasonal borrowings at Reserve Banks | 82 | 26 | 67 | 99 | 116 | 120 | 148 | 197 | 161 | 259 |
| <i>Large commercial banks</i> | | | | | | | | | | |
| 12 Reserves held | ↑ | ↑ | ↑ | ↑ | 24,940 | 26,267 | 24,874 | 24,772 | 24,894 | 25,033 |
| 13 Required | | | | | 25,819 | 26,605 | 25,328 | 25,145 | 25,519 | 25,450 |
| 14 Excess | | | | | 879 | 338 | 454 | 373 | 625 | 417 |
| <i>Small commercial banks</i> | | | | | | | | | | |
| 15 Reserves held | | | | | 13,719 | 13,935 | 13,305 | 13,386 | 13,628 | 13,773 |
| 16 Required | | | | | 13,523 | 13,690 | 13,235 | 13,229 | 13,558 | 13,633 |
| 17 Excess | n.a. | n.a. | n.a. | n.a. | 196 | 245 | 70 | 157 | 70 | 140 |
| <i>U.S. agencies and branches</i> | | | | | | | | | | |
| 18 Reserves held | | | | | 260 | 253 | 388 | 461 | 444 | 576 |
| 19 Required | | | | | 230 | 228 | 366 | 480 | 432 | 545 |
| 20 Excess | | | | | 30 | 25 | 22 | 11 | 12 | 31 |
| <i>All other institutions</i> | | | | | | | | | | |
| 21 Reserves held | | | | | 494 | 513 | 502 | 605 | 611 | 649 |
| 22 Required | | | | | 495 | 502 | 519 | 548 | 562 | 585 |
| 23 Excess | | | | | 1 | 11 | 17 | 57 | 49 | 64 |
| | Weekly averages of daily figures for week ending | | | | | | | | | |
| | Mar 25 ¹ | Apr 1 ¹ | Apr 8 ¹ | Apr 15 ¹ | Apr 22 ¹ | Apr 29 ¹ | May 6 ¹ | May 13 ¹ | May 20 ¹ | May 27 ¹ |
| 24 Reserve balances with Reserve Banks ¹ | 27,158 | 27,409 | 25,743 | 26,665 | 28,258 | 27,940 | 27,741 | 25,944 | 27,834 | 26,835 |
| 25 Total vault cash (estimated) | 16,496 | 17,135 | 17,467 | 17,681 | 16,155 | 17,353 | 17,947 | 18,562 | 16,711 | 17,627 |
| 26 Vault cash at institutions with required reserve balances ² | 11,152 | 11,560 | 11,873 | 11,991 | 10,971 | 11,845 | 12,298 | 12,686 | 11,449 | 11,940 |
| 27 Vault cash equal to required reserves at other institutions | 1,208 | 1,217 | 1,184 | 1,194 | 1,186 | 1,238 | 1,298 | 1,311 | 1,187 | 1,384 |
| 28 Surplus vault cash at other institutions ³ | 4,136 | 4,358 | 4,410 | 4,496 | 3,998 | 4,270 | 4,351 | 4,565 | 4,075 | 4,303 |
| 29 Reserve balances + total vault cash ⁴ | 43,760 | 44,650 | 43,298 | 44,434 | 44,503 | 45,379 | 45,776 | 44,591 | 44,635 | 44,552 |
| 30 Reserve balances + total vault cash used to satisfy reserve requirements ^{1,5} | 39,624 | 40,292 | 38,888 | 39,938 | 40,505 | 41,109 | 41,425 | 40,026 | 40,560 | 40,249 |
| 31 Required reserves (estimated) | 39,464 | 39,642 | 38,837 | 39,620 | 40,739 | 41,004 | 41,089 | 39,928 | 40,356 | 39,810 |
| 32 Excess reserve balances at Reserve Banks ^{1,6} | 160 | 650 | 51 | 318 | 234 | 105 | 336 | 98 | 204 | 439 |
| 33 Total borrowings at Reserve Banks | 888 | 1,464 | 887 | 1,142 | 864 | 2,278 | 2,471 | 1,734 | 1,975 | 2,923 |
| 34 Seasonal borrowings at Reserve Banks | 200 | 220 | 162 | 149 | 149 | 175 | 198 | 226 | 271 | 309 |
| <i>Large commercial banks</i> | | | | | | | | | | |
| 35 Reserves held | 24,348 | 25,592 | 24,263 | 24,949 | 24,806 | 25,501 | 26,381 | 24,507 | 25,166 | 25,056 |
| 36 Required | 25,066 | 25,324 | 24,701 | 25,344 | 25,935 | 26,031 | 26,174 | 25,367 | 25,482 | 25,032 |
| 37 Excess | 718 | 268 | 438 | 395 | 1,129 | 530 | 207 | -860 | 316 | 24 |
| <i>Small commercial banks</i> | | | | | | | | | | |
| 38 Reserves held | 13,492 | 13,584 | 13,267 | 13,363 | 13,696 | 14,131 | 14,088 | 13,679 | 13,706 | 13,724 |
| 39 Required | 13,387 | 13,340 | 13,163 | 13,269 | 13,787 | 13,990 | 13,937 | 13,547 | 13,618 | 13,572 |
| 40 Excess | 105 | 244 | 104 | 94 | 91 | 141 | 151 | 132 | 88 | 152 |
| <i>U.S. agencies and branches</i> | | | | | | | | | | |
| 41 Reserves held | 444 | 440 | 446 | 455 | 436 | 435 | 429 | 476 | 654 | 669 |
| 42 Required | 460 | 431 | 437 | 443 | 430 | 422 | 408 | 430 | 643 | 627 |
| 43 Excess | -16 | 9 | 9 | 12 | 6 | 13 | 21 | 46 | 11 | 42 |
| <i>All other institutions</i> | | | | | | | | | | |
| 44 Reserves held | 626 | 570 | 583 | 624 | 611 | 630 | 602 | 625 | 648 | 735 |
| 45 Required | 551 | 547 | 536 | 564 | 587 | 561 | 570 | 584 | 613 | 579 |
| 46 Excess | 75 | 23 | 47 | 60 | 24 | 69 | 32 | 41 | 35 | 156 |

1 Includes all reserve balances of depository institutions.

2 Prior to Nov. 13, 1980, the figures shown reflect only the vault cash held by member banks.

3 Total vault cash at institutions without required reserve balances less vault cash equal to their required reserves.

4 Adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merged into an

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

5 Reserve balances with Federal Reserve Banks plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

6 Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves. (This measure of excess reserves is comparable to the old excess reserve concept published historically.)

A6 Domestic Financial Statistics □ June 1981

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks¹

Averages of daily figures, in millions of dollars

| By maturity and source | 1981, week ending Wednesday | | | | | | | | |
|---|-----------------------------|--------|--------|--------|---------------------|--------|--------|--------|--------|
| | Apr. 1 | Apr 8 | Apr 15 | Apr 22 | Apr 29 ^r | May 6 | May 13 | May 20 | May 27 |
| <i>One day and continuing contract</i> | | | | | | | | | |
| 1 Commercial banks in United States | 48,803 | 57,586 | 56,645 | 53,824 | 49,914 | 52,324 | 49,016 | 45,222 | 44,399 |
| 2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies | 14,932 | 14,318 | 13,549 | 12,735 | 13,021 | 13,716 | 12,875 | 13,812 | 13,650 |
| 3 Nonbank securities dealers | 2,832 | 2,778 | 2,582 | 2,206 | 3,166 | 3,265 | 2,816 | 2,561 | 2,782 |
| 4 All other | 19,608 | 19,050 | 19,324 | 16,284 | 20,316 | 19,922 | 19,090 | 19,403 | 19,708 |
| <i>All other maturities</i> | | | | | | | | | |
| 5 Commercial banks in United States | 3,475 | 3,210 | 3,481 | 4,749 | 3,520 | 3,524 | 3,639 | 3,788 | 3,467 |
| 6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies | 7,327 | 7,159 | 7,229 | 7,864 | 7,247 | 7,064 | 7,365 | 7,591 | 7,434 |
| 7 Nonbank securities dealers | 5,013 | 4,474 | 4,371 | 4,340 | 4,390 | 4,435 | 4,780 | 5,183 | 5,183 |
| 8 All other | 10,414 | 9,961 | 10,077 | 13,363 | 10,403 | 10,143 | 10,497 | 10,549 | 10,655 |
| MEMO: Federal funds and resale agreement loans in ma- turities of one day or continuing contract | | | | | | | | | |
| 9 Commercial banks in United States | 15,985 | 17,068 | 14,963 | 16,101 | 14,508 | 13,795 | 13,348 | 14,214 | 13,894 |
| 10 Nonbank securities dealers | 3,066 | 3,364 | 2,947 | 2,984 | 3,010 | 2,854 | 2,884 | 2,602 | 2,662 |

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

| Federal Reserve Bank | Short-term adjustment credit ¹ | | | Extended credit | | | | | | Emergency credit to all others under section 13 ³ | | |
|----------------------|---|----------------|---------------|-----------------|----------------|---------------|------------------------------------|----------------|---------------|--|----------------|---------------|
| | Rate on 5/31/81 | Effective date | Previous rate | Seasonal credit | | | Special circumstances ² | | | Rate on 5/31/81 | Effective date | Previous rate |
| | | | | Rate on 5/31/81 | Effective date | Previous rate | Rate on 5/31/81 | Effective date | Previous rate | | | |
| Boston | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| New York | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Philadelphia | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Cleveland | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Richmond | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Atlanta | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Chicago | 14 | 5/8/81 | 13 | 14 | 5/8/81 | 13 | 15 | 5/8/81 | 14 | 17 | 5/8/81 | 16 |
| St. Louis | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Minneapolis | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Kansas City | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Dallas | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| San Francisco | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |

Range of rates in recent years^{4,5}

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. | Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. | Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|------------------------|---------------------------------|-------------------|----------------|---------------------------------|-------------------|----------------|---------------------------------|-------------------|
| In effect Dec 31, 1972 | 4½ | 4½ | 1976—Jan 19 | 5½-6 | 5½ | 1979—Sept 19 | 10½-11 | 11 |
| 1973—Jan 15 | 5 | 5 | 23 | 5½ | 5½ | 21 | 11 | 11 |
| Feb 26 | 5-5½ | 5½ | Nov 22 | 5¼-5½ | 5¼ | Oct 8 | 11-12 | 12 |
| Mar 2 | 5½ | 5½ | 26 | 5¼ | 5¼ | 10 | 12 | 12 |
| Apr 23 | 5½-5¾ | 5½ | 1977—Aug 30 | 5¼-5¾ | 5¼ | 1980—Feb 15 | 12-13 | 13 |
| May 4 | 5¾ | 5¾ | 31 | 5¼-5¾ | 5¼ | 19 | 13 | 13 |
| 11 | 5¾-6 | 6 | Sept 2 | 5¾ | 5¾ | 30 | 12-13 | 13 |
| 18 | 6 | 6 | Oct 26 | 6 | 6 | 29 | 12 | 12 |
| June 11 | 6-6½ | 6½ | 1978—Jan 9 | 6-6½ | 6½ | June 13 | 11-12 | 11 |
| 15 | 6½ | 6½ | 20 | 6½ | 6½ | 28 | 10-11 | 10 |
| July 2 | 7 | 7 | May 11 | 6½-7 | 7 | July 29 | 10 | 10 |
| Aug 14 | 7-7½ | 7½ | 12 | 7 | 7 | Sept 26 | 11 | 11 |
| 23 | 7½ | 7½ | July 3 | 7-7¼ | 7¼ | Nov 17 | 12 | 12 |
| 1974—Apr 25 | 7½-8 | 8 | July 10 | 7¼ | 7¼ | Dec 5 | 12-13 | 13 |
| 30 | 8 | 8 | Aug 21 | 7¾ | 7¾ | 8 | 13 | 13 |
| Dec 9 | 7¾-8 | 7¾ | Sept 22 | 8 | 8 | 1981—May 5 | 13-14 | 14 |
| 16 | 7¾ | 7¾ | Oct 16 | 8-8½ | 8½ | May 8 | 14 | 14 |
| 1975—Jan 6 | 7¼ | 7¼ | Nov 20 | 8½ | 8½ | | | |
| 10 | 7¼ | 7¼ | Nov 1 | 8½-9½ | 9½ | | | |
| Feb 24 | 7¼ | 7¼ | 3 | 9½ | 9½ | | | |
| 5 | 6¾-7¼ | 6¾ | 1979—July 20 | 10 | 10 | | | |
| 7 | 6¾ | 6¾ | Aug 17 | 10-10½ | 10½ | | | |
| Mar 10 | 6¼-6¾ | 6¾ | 20 | 10½ | 10½ | | | |
| 14 | 6¼ | 6¼ | | | | | | |
| May 16 | 6-6¼ | 6 | | | | | | |

1. Effective May 5, 1981, a 4 percent surcharge was applied to short-term adjustment credit borrowings by institutions with deposits of \$500 million or more who borrowed in successive weeks or in more than 4 weeks in a calendar quarter.

2. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution as described in section 201.3(b) (2) of Regulation A.

3. Applicable to emergency advances to individuals, partnerships, and corporations as described in section 201.3(c) of Regulation A.

4. Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914-1941* and *1941-1970*, *Annual Statistical Digest, 1971-1975*, *1972-1976*, *1973-1977*, and *1974-1978*.

5. In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of \$500 million or more who had borrowed in successive weeks or in more than 4 weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. On Nov 17, 1980, a 2 percent surcharge was adopted which was subsequently raised to 3 percent on Dec 5, 1980. This surcharge was raised to 4 percent on May 5, 1981.

1.15 DEPOSITORY INSTITUTIONS RESERVE REQUIREMENTS¹

Percent of deposits

| Type of deposit, and deposit interval in millions of dollars | Member bank requirements before implementation of the Monetary Control Act | | Type of deposit, and deposit interval | Depository institution requirements after implementation of the Monetary Control Act ³ | |
|---|--|----------------|---|---|----------------|
| | Percent | Effective date | | Percent | Effective date |
| <i>Net demand</i> ² | | | <i>Net transaction accounts</i> ⁶ | | |
| 0-2 | 7 | 12/30/76 | \$0-\$25 million | 3 | 11/13/80 |
| 2-10 | 9½ | 12/30/76 | Over \$25 million | 12 | 11/13/80 |
| 10-100 | 11¾ | 12/30/76 | <i>Nonpersonal time deposits</i> ⁷ | | |
| 100-400 | 12¾ | 12/30/76 | By original maturity | | |
| Over 400 | 16¼ | 12/30/76 | Less than 4 years | 3 | 11/13/80 |
| | | | 4 years or more | 0 | 11/13/80 |
| <i>Time and savings</i> ^{2,3} | | | <i>Eurocurrency liabilities</i> | | |
| Savings | 3 | 3/16/67 | All types | 3 | 11/13/80 |
| <i>Time</i> ⁴ | | | | | |
| 0-5, by maturity | | | | | |
| 30-179 days | 3 | 3/16/67 | | | |
| 180 days to 4 years | 2½ | 1/8/76 | | | |
| 4 years or more | 1 | 10/30/75 | | | |
| Over 5, by maturity | | | | | |
| 30-179 days | 6 | 12/12/74 | | | |
| 180 days to 4 years | 2½ | 1/8/76 | | | |
| 4 years or more | 1 | 10/30/75 | | | |

1 For changes in reserve requirements beginning 1963, see Board's *Annual Statistical Digest, 1971-1975* and for prior changes, see Board's *Annual Report for 1976*, table I3. Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

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

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

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

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

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

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

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

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

5. For existing nonmember banks and thrift institutions at the time of implementation of the Monetary Control Act, the phase-in period ends Sept. 3, 1987. For existing member banks the phase-in period is about three years, depending on whether their new reserve requirements are greater or less than the old requirements. For existing agencies and branches of foreign banks, the phase-in ends Aug. 12, 1982. All new institutions will have a two-year phase-in beginning with the date that they open for business.

6. Transaction accounts include all deposits on which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers (in excess of three per month) for the purpose of making payments to third persons or others.

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

NOTE Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. After implementation of the Monetary Control Act, nonmembers may maintain reserves on a pass-through basis with certain approved institutions.

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

Percent per annum

| Type and maturity of deposit | Commercial banks | | | | Savings and loan associations and mutual savings banks | | | | |
|--|------------------------|----------------|------------------|----------------|--|----------------|------------------|----------------|--|
| | In effect May 31, 1981 | | Previous maximum | | In effect May 31, 1981 | | Previous maximum | | |
| | Percent | Effective date | Percent | Effective date | Percent | Effective date | Percent | Effective date | |
| 1 Savings . . . | 5¼ | 7/1/79 | 5 | 7/1/73 | 5½ | 7/1/79 | 5¼ | (1) | |
| 2 Negotiable order of withdrawal accounts ² Time accounts ³ | 5¼ | 12/31/80 | 5 | 1/1/74 | 5¼ | 12/31/80 | 5 | 1/1/74 | |
| <i>Fixed ceiling rates by maturity⁴</i> | | | | | | | | | |
| 3 14-89 days ⁵ | 5¼ | 8/1/79 | 5 | 7/1/73 | (6) | | (6) | | |
| 4 90 days to 1 year | 5¼ | 1/1/80 | 5½ | 7/1/73 | 6 | 1/1/80 | 5¾ | (1) | |
| 5 1 to 2 years ⁷ | | | 5½ | 1/21/70 | 6½ | (1) | 5¾ | 1/21/70 | |
| 6 2 to 2½ years ⁷ | 6 | 7/1/73 | 5½ | 1/21/70 | | | 6 | 1/21/70 | |
| 7 2½ to 4 years ⁷ | 6½ | 7/1/73 | 5½ | 1/21/70 | 6½ | (1) | 6 | 1/21/70 | |
| 8 4 to 6 years ⁸ | 7¼ | 11/1/73 | (9) | | 7½ | 11/1/73 | (9) | | |
| 9 6 to 8 years ⁸ | 7½ | 12/23/74 | 7½ | 11/1/73 | 7½ | 12/23/74 | 7½ | 11/1/73 | |
| 10 8 years or more ⁸ | 7¾ | 6/1/78 | (6) | | 8 | 6/1/78 | (6) | | |
| 11 Issued to governmental units (all maturities) ¹⁰ | 8 | 6/1/78 | 7¾ | 12/23/74 | 8 | 6/1/78 | 7¾ | 12/23/74 | |
| 12 Individual retirement accounts and Keogh (I.R. 10) plans (3 years or more) ^{10 11} | 8 | 6/1/78 | 7¾ | 7/6/77 | 8 | 6/1/78 | 7¾ | 7/6/77 | |
| <i>Special variable ceiling rates by maturity</i> | | | | | | | | | |
| 13 6-month money market time deposits ¹² | (13) | (13) | (13) | (13) | (13) | (13) | (13) | (13) | |
| 14 2½ years or more | (14) | (14) | (14) | (14) | (14) | (14) | (14) | (14) | |

1 July 1, 1973, for mutual savings banks, July 6, 1973, for savings and loan associations

2 For authorized states only, federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks in Massachusetts and New Hampshire were first permitted to offer negotiable order of withdrawal (NOW) accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976, and in New York State on Nov. 10, 1978, and in New Jersey on Dec. 28, 1979. Authorization to issue NOW accounts was extended to similar institutions nationwide effective Dec. 31, 1980.

3 For exceptions with respect to certain foreign time deposits see the FEDERAL RESERVE BULLETIN for October 1962 (p. 1279), August 1965 (p. 1084), and February 1968 (p. 167).

4 Effective Nov. 10, 1980, the minimum notice period for public unit accounts at savings and loan associations was decreased to 14 days and the minimum maturity period for time deposits at savings and loan associations in excess of \$100,000 was decreased to 14 days. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 days to 14 days for mutual savings banks.

5 Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 days to 14 days for commercial banks.

6 No separate account category

7 No minimum denomination. Until July 1, 1979, a minimum of \$1,000 was required for savings and loan associations, except in areas where mutual savings banks permitted lower minimum denominations. This restriction was removed for deposits maturing in less than 1 year, effective Nov. 1, 1973.

8 No minimum denomination. Until July 1, 1979, minimum denomination was \$1,000 except for deposits representing funds contributed to an Individual Retirement Account (IRA) or a Keogh (I.R. 10) plan established pursuant to the Internal Revenue Code. The \$1,000 minimum requirement was removed for such accounts in December 1975 and November 1976 respectively.

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

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

10. Accounts subject to fixed rate ceilings. See footnote 8 for minimum denomination requirements.

11 Effective January 1, 1980, commercial banks are permitted to pay the same rate as thrifts on IRA and Keogh accounts and accounts of governmental units when such deposits are placed in the new 2½-year or more variable ceiling certificates or in 26-week money market certificates regardless of the level of the Treasury bill rate.

12 Must have a maturity of exactly 26 weeks and a minimum denomination of \$10,000, and must be nonnegotiable.

13 Commercial banks, savings and loan associations, and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978. The ceiling rate for commercial banks on money market time deposits entered into before June 5, 1980, is the discount rate (auction average) on most recently issued six-month U.S. Treasury bills. Until Mar. 15, 1979, the ceiling rate for savings and loan associations and mutual savings banks was ¼ percentage point higher than the rate for commercial banks. Beginning March 15, 1979, the ¼ percentage point interest differential is removed when the six-month Treasury bill rate is 9 percent or more. The full differential is in effect when the six-month bill rate is 8¾ percent

or less. Thrift institutions may pay a maximum 9 percent when the six-month bill rate is between 8¾ and 9 percent. Also effective March 15, 1979, interest compounding was prohibited on six-month money market time deposits at all offering institutions. The maximum allowable rates in May for commercial banks and thrift institutions were as follows: May 5, 15, 354, May 12, 15, 781, May 19, 15, 275, May 23, 15, 925. Effective for all six-month money market certificates issued beginning June 5, 1980, the interest rate ceilings will be determined by the discount rate (auction average) of most recently issued six-month U.S. Treasury bills as follows:

| | | |
|------------------|--------------------------------|-----------------------|
| <i>Bill rate</i> | <i>Commercial bank ceiling</i> | <i>Thrift ceiling</i> |
| 8.75 and above | bill rate + ¼ percent | bill rate + ¼ percent |
| 8.50 to 8.75 | bill rate + ¼ percent | 9.00 |
| 7.50 to 8.50 | bill rate + ¼ percent | bill rate + ½ percent |
| 7.25 to 7.50 | 7.75 | bill rate + ½ percent |
| Below 7.25 | 7.75 | 7.75 |

The prohibition against compounding interest in these certificates continues.

14 Effective Jan. 1, 1980, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable-ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2½ years or more. The maximum rate for commercial banks is ¼ percentage point below the yield on 2½-year U.S. Treasury securities, the ceiling rate for thrift institutions is ¼ percentage point higher than that for commercial banks. Effective Mar. 1, 1980, a temporary ceiling of 11¾ percent was placed on these accounts at commercial banks, the temporary ceiling is 12 percent at savings and loan associations and mutual savings banks. Effective for all variable ceiling nonnegotiable time deposits with maturities of 2½ years or more issued beginning June 2, 1980, the ceiling rates of interest will be determined as follows:

| | | |
|-----------------------|--------------------------------|-----------------------|
| <i>Treasury yield</i> | <i>Commercial bank ceiling</i> | <i>Thrift ceiling</i> |
| 12.00 and above | 11.75 | 12.00 |
| 9.50 to 12.00 | Treasury yield - ¼ percent | Treasury yield |
| Below 9.50 | 9.25 | 9.50 |

Interest may be compounded on these time deposits. The ceiling rates of interest at which these accounts may be offered vary biweekly. The maximum allowable rates in May for commercial banks were as follows: May 12, 11, 75, May 23, 11, 75. The maximum allowable rates in May for thrift institutions were as follows: May 12, 12, 00, May 23, 12, 00.

15 Between July 1, 1979, and Dec. 31, 1979, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of 4 years or more. The maximum rate for commercial banks was 1¼ percentage points below the yield on 4-year U.S. Treasury securities, the ceiling rate for thrift institutions was ¼ percentage point higher than that for commercial banks.

Note: Before Mar. 31, 1980, the maximum rates that could be paid by federally insured commercial banks, mutual savings banks, and savings and loan associations were established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217, 329, and 526, respectively. Title II of the Depository Institutions Deregulation and Monetary Control Act of 1980 (P.L. 96-221) transferred the authority of the agencies to establish maximum rates of interest payable on deposits to the Depository Institutions Deregulation Committee. The maximum rates on time deposits in denominations of \$100,000 or more with maturities of 30-89 days were suspended in June 1970, such deposits maturing in 90 days or more were suspended in May 1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the FEDERAL RESERVE BULLETIN, the Federal Home Loan Bank Board Journal, and the Annual Report of the Federal Deposit Insurance Corporation.

A10 Domestic Financial Statistics □ June 1981

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

| Type of transaction | 1978 | 1979 | 1980 | 1980 | | | 1981 | | | |
|--|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| | | | | Oct | Nov | Dec. | Jan. | Feb | Mar | Apr. |
| U S GOVERNMENT SECURITIES | | | | | | | | | | |
| Outright transactions (excluding matched sale-purchase transactions) | | | | | | | | | | |
| <i>Treasury bills</i> | | | | | | | | | | |
| 1 Gross purchases | 16,628 | 15,998 | 7,668 | 991 | 0 | 1,331 | 1,100 | 0 | 1,607 | 1,141 |
| 2 Gross sales | 13,725 | 6,855 | 7,331 | 531 | 600 | 0 | 3,865 | 357 | 0 | 0 |
| 3 Exchange | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 Redemptions | 2,033 | 2,900 | 3,389 | 700 | 500 | 49 | 1,000 | 0 | 0 | 0 |
| <i>Others within 1 year¹</i> | | | | | | | | | | |
| 5 Gross purchases | 1,184 | 3,203 | 912 | 0 | 0 | 100 | 0 | 0 | 0 | 115 |
| 6 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23 | 0 | 0 |
| 7 Maturity shift | -5,170 | 17,339 | 12,427 | 596 | 2,368 | 754 | 462 | 990 | 878 | 522 |
| 8 Exchange | 0 | -11,308 | -18,251 | -420 | -879 | -967 | 0 | -1,936 | -1,385 | -261 |
| 9 Redemptions | 0 | 2,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>1 to 5 years</i> | | | | | | | | | | |
| 10 Gross purchases | 4,188 | 2,148 | 2,138 | 0 | 0 | 0 | 0 | 0 | 0 | 469 |
| 11 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Maturity shift | -178 | -12,693 | -8,909 | -596 | -2,368 | -754 | -462 | -990 | -878 | -522 |
| 13 Exchange | 0 | 7,508 | 13,412 | 420 | 500 | 967 | 0 | 1,211 | 1,385 | 261 |
| <i>5 to 10 years</i> | | | | | | | | | | |
| 14 Gross purchases | 1,526 | 523 | 703 | 0 | 0 | 0 | 0 | 0 | 0 | 164 |
| 15 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 Maturity shift | 2,803 | -4,646 | -3,092 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 Exchange | 0 | 2,181 | 2,970 | 0 | 220 | 0 | 0 | 400 | 0 | 0 |
| <i>Over 10 years</i> | | | | | | | | | | |
| 18 Gross purchases | 1,063 | 454 | 811 | 0 | 0 | 0 | 0 | 0 | 0 | 89 |
| 19 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 Maturity shift | 2,545 | 0 | -426 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 Exchange | 0 | 1,619 | 1,869 | 0 | 159 | 0 | 0 | 325 | 0 | 0 |
| <i>All maturities¹</i> | | | | | | | | | | |
| 22 Gross purchases | 24,591 | 22,325 | 12,232 | 991 | 0 | 1,431 | 1,100 | 0 | 1,607 | 1,977 |
| 23 Gross sales | 13,725 | 6,855 | 7,331 | 531 | 600 | 0 | 3,865 | 380 | 0 | 0 |
| 24 Redemptions | 2,033 | 5,500 | 3,389 | 700 | 500 | 49 | 1,000 | 0 | 0 | 0 |
| Matched transactions | | | | | | | | | | |
| 25 Gross sales | 511,126 | 627,350 | 674,000 | 55,787 | 40,944 | 79,754 | 61,427 | 30,819 | 32,003 | 37,251 |
| 26 Gross purchases | 510,854 | 624,192 | 675,496 | 56,462 | 41,129 | 78,734 | 63,062 | 31,651 | 30,441 | 37,295 |
| Repurchase agreements | | | | | | | | | | |
| 27 Gross purchases | 151,618 | 107,051 | 113,902 | 20,145 | 24,169 | 11,534 | 6,108 | 0 | 1,623 | 9,458 |
| 28 Gross sales | 152,436 | 106,968 | 113,040 | 19,808 | 23,924 | 11,381 | 8,137 | 0 | 1,246 | 9,835 |
| 29 Net change in U S government securities | 7,743 | 6,896 | 3,869 | 771 | -670 | 516 | -4,159 | 452 | 422 | 1,644 |
| FEDERAL AGENCY OBLIGATIONS | | | | | | | | | | |
| Outright transactions | | | | | | | | | | |
| 30 Gross purchases | 301 | 853 | 668 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 Gross sales | 173 | 399 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 Redemptions | 235 | 134 | 145 | 21 | 0 | 22 | 0 | 3 | 15 | 2 |
| Repurchase agreements | | | | | | | | | | |
| 33 Gross purchases | 40,567 | 37,321 | 28,895 | 5,922 | 4,825 | 1,889 | 652 | 0 | 494 | 1,211 |
| 34 Gross sales | 40,885 | 36,960 | 28,863 | 5,734 | 4,880 | 1,767 | 1,177 | 0 | 437 | 1,268 |
| 35 Net change in federal agency obligations | -426 | 681 | 555 | 167 | -55 | 99 | -525 | -3 | 42 | -58 |
| BANKERS ACCEPTANCES | | | | | | | | | | |
| 36 Outright transactions, net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 Repurchase agreements, net | -366 | 116 | 73 | 67 | -43 | 253 | -776 | 0 | 298 | -298 |
| 38 Net change in bankers acceptances | -366 | 116 | 73 | 67 | -43 | 253 | -776 | 0 | 298 | -298 |
| 39 Total net change in System Open Market Account | 6,951 | 7,693 | 4,497 | 1,005 | -768 | 868 | -5,460 | 450 | 762 | 1,287 |

¹ Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars) March 1979, 2,600.

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

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

| Account | Wednesday | | | | | End of month | | |
|--|-----------|---------|---------|---------|---------|--------------|---------|---------|
| | 1981 | | | | | 1981 | | |
| | Apr. 29 | May 6 | May 13 | May 20 | May 27 | Mar. | Apr. | May |
| Consolidated condition statement | | | | | | | | |
| ASSETS | | | | | | | | |
| 1 Gold certificate account | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 |
| 2 Special drawing rights certificate account | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 |
| 3 Coin | 412 | 403 | 398 | 403 | 391 | 468 | 412 | 396 |
| Loans | | | | | | | | |
| 4 To depository institutions | 8,572 | 1,988 | 3,683 | 3,847 | 1,851 | 656 | 2,333 | 1,366 |
| 5 Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acceptances | | | | | | | | |
| 6 Held under repurchase agreements | 549 | 0 | 0 | 0 | 0 | 298 | 0 | 0 |
| Federal agency obligations | | | | | | | | |
| 7 Bought outright | 8,720 | 8,720 | 8,720 | 8,720 | 8,720 | 8,722 | 8,720 | 8,720 |
| 8 Held under repurchase agreements | 566 | 0 | 0 | 0 | 0 | 57 | 0 | 0 |
| U.S. government securities | | | | | | | | |
| Bought outright | | | | | | | | |
| 9 Bills | 43,613 | 44,363 | 39,868 | 45,815 | 40,769 | 42,078 | 43,263 | 41,887 |
| 10 Notes | 59,118 | 59,118 | 59,118 | 58,818 | 58,818 | 58,370 | 59,118 | 58,818 |
| 11 Bonds | 17,306 | 17,306 | 17,306 | 17,606 | 17,606 | 17,218 | 17,306 | 17,606 |
| 12 Total ¹ | 120,037 | 120,787 | 116,292 | 122,239 | 117,193 | 117,666 | 119,687 | 118,311 |
| 13 Held under repurchase agreements | 2,860 | 0 | 0 | 0 | 0 | 377 | 0 | 0 |
| 14 Total U.S. government securities | 122,897 | 120,787 | 116,292 | 122,239 | 117,193 | 118,043 | 119,687 | 118,311 |
| 15 Total loans and securities | 141,304 | 131,495 | 128,695 | 134,806 | 127,764 | 127,776 | 130,740 | 128,397 |
| 16 Cash items in process of collection | 11,946 | 10,142 | 10,073 | 9,647 | 11,963 | 11,107 | 9,224 | 9,096 |
| 17 Bank premises | 469 | 469 | 469 | 469 | 470 | 465 | 467 | 470 |
| Other assets | | | | | | | | |
| 18 Denominated in foreign currencies ² | 6,848 | 6,794 | 6,865 | 6,854 | 6,858 | 7,060 | 6,768 | 6,412 |
| 19 All other | 3,301 | 3,313 | 3,607 | 2,562 | 2,640 | 2,710 | 3,321 | 2,719 |
| 20 Total assets | 178,252 | 166,588 | 164,079 | 168,713 | 164,058 | 163,558 | 164,904 | 161,462 |
| LIABILITIES | | | | | | | | |
| 21 Federal Reserve notes | 122,088 | 122,990 | 123,657 | 123,401 | 123,962 | 120,874 | 121,852 | 123,251 |
| Deposits | | | | | | | | |
| 22 Depository institutions | 37,813 | 28,926 | 25,334 | 30,877 | 24,084 | 26,164 | 26,063 | 24,304 |
| 23 U.S. Treasury—General account | 5,737 | 3,141 | 3,692 | 3,085 | 2,880 | 3,032 | 4,460 | 2,288 |
| 24 Foreign—Official accounts | 326 | 312 | 286 | 270 | 299 | 474 | 476 | 346 |
| 25 Other | 266 | 277 | 240 | 221 | 245 | 313 | 311 | 275 |
| 26 Total deposits | 44,142 | 32,656 | 29,552 | 34,453 | 27,508 | 29,983 | 31,310 | 27,213 |
| 27 Deferred availability cash items | 7,020 | 6,385 | 6,253 | 6,207 | 7,881 | 7,846 | 7,068 | 6,554 |
| 28 Other liabilities and accrued dividends ³ | 2,273 | 1,874 | 1,903 | 1,901 | 1,965 | 1,952 | 1,971 | 1,744 |
| 29 Total liabilities | 175,523 | 163,905 | 161,365 | 165,962 | 161,316 | 160,655 | 162,201 | 158,762 |
| CAPITAL ACCOUNTS | | | | | | | | |
| 30 Capital paid in | 1,233 | 1,236 | 1,234 | 1,235 | 1,237 | 1,227 | 1,233 | 1,238 |
| 31 Surplus | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 |
| 32 Other capital accounts | 293 | 244 | 277 | 313 | 302 | 473 | 267 | 259 |
| 33 Total liabilities and capital accounts | 178,252 | 166,588 | 164,079 | 168,713 | 164,058 | 163,558 | 164,904 | 161,462 |
| 34 MEMO: Marketable U.S. government securities held in custody for foreign and international account | 101,725 | 100,425 | 100,788 | 100,062 | 97,516 | 101,214 | 100,546 | 96,635 |
| Federal Reserve note statement | | | | | | | | |
| 35 Federal Reserve notes outstanding (issued to bank) | 143,634 | 143,634 | 143,895 | 143,881 | 143,959 | 142,182 | 143,716 | 143,936 |
| 36 Less—held by bank ⁴ | 21,546 | 20,644 | 20,238 | 20,480 | 19,997 | 21,308 | 21,864 | 20,685 |
| 37 Federal Reserve notes, net | 122,088 | 122,990 | 123,657 | 123,401 | 123,962 | 120,874 | 121,852 | 123,251 |
| Collateral for Federal Reserve notes | | | | | | | | |
| 38 Gold certificate account | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 |
| 39 Special drawing rights certificate account | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 |
| 40 Other eligible assets | 0 | 0 | 0 | 0 | 9 | 0 | 0 | 0 |
| 41 U.S. government and agency securities | 108,116 | 109,018 | 109,588 | 109,429 | 109,981 | 106,902 | 107,880 | 109,279 |
| 42 Total collateral | 122,088 | 122,990 | 123,657 | 123,401 | 123,962 | 120,874 | 121,852 | 123,251 |

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

2 Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies and foreign currencies warehoused for the U.S. Treasury. Assets shown in this line are revalued monthly at market exchange rates

3. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.

4 Beginning September 1980, Federal Reserve notes held by the Reserve Bank are exempt from the collateral requirement

A12 Domestic Financial Statistics □ June 1981

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

| Type and maturity groupings | Wednesday | | | | | End of month | | |
|-------------------------------------|-----------|---------|---------|---------|---------|--------------|---------|---------|
| | 1981 | | | | | 1981 | | |
| | Apr 29 | May 6 | May 13 | May 20 | May 27 | Mar 31 | Apr 30 | May 31 |
| 1 Loans—Total | 8,572 | 1,988 | 3,683 | 3,847 | 1,851 | 656 | 2,333 | 1,366 |
| 2 Within 15 days | 8,558 | 1,896 | 3,543 | 3,754 | 1,810 | 616 | 1,905 | 1,317 |
| 3 16 days to 90 days | 14 | 92 | 140 | 93 | 41 | 40 | 428 | 49 |
| 4 91 days to 1 year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 Acceptances—Total | 549 | 0 | 0 | 0 | 0 | 298 | 0 | 0 |
| 6 Within 15 days | 549 | 0 | 0 | 0 | 0 | 298 | 0 | 0 |
| 7 16 days to 90 days | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 91 days to 1 year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 U S government securities—Total | 122,897 | 120,787 | 116,292 | 122,239 | 117,193 | 118,043 | 119,687 | 118,311 |
| 10 Within 15 days ¹ | 5,771 | 5,726 | 6,043 | 6,566 | 2,923 | 2,265 | 2,098 | 3,162 |
| 11 16 days to 90 days | 22,573 | 20,363 | 15,510 | 22,663 | 20,442 | 22,904 | 21,291 | 21,552 |
| 12 91 days to 1 year | 29,978 | 30,384 | 30,426 | 29,956 | 30,774 | 29,020 | 31,983 | 30,543 |
| 13 Over 1 year to 5 years | 35,241 | 34,981 | 34,980 | 34,297 | 34,297 | 34,772 | 34,981 | 34,297 |
| 14 Over 5 years to 10 years | 13,918 | 13,918 | 13,918 | 13,042 | 13,042 | 13,755 | 13,918 | 13,042 |
| 15 Over 10 years | 15,416 | 15,415 | 15,415 | 15,715 | 15,715 | 15,327 | 15,416 | 15,715 |
| 16 Federal agency obligations—Total | 9,286 | 8,720 | 8,720 | 8,720 | 8,720 | 8,779 | 8,720 | 8,720 |
| 17 Within 15 days ¹ | 635 | 0 | 131 | 221 | 178 | 266 | 69 | 178 |
| 18 16 days to 90 days | 615 | 680 | 549 | 459 | 471 | 397 | 615 | 471 |
| 19 91 days to 1 year | 1,752 | 1,756 | 1,756 | 1,756 | 1,853 | 1,843 | 1,752 | 1,853 |
| 20 Over 1 year to 5 years | 4,658 | 4,658 | 4,658 | 4,658 | 4,593 | 4,613 | 4,658 | 4,593 |
| 21 Over 5 years to 10 years | 982 | 982 | 982 | 982 | 982 | 975 | 982 | 982 |
| 22 Over 10 years | 644 | 644 | 644 | 644 | 643 | 685 | 644 | 643 |

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

1.20 BANK DEBITS AND DEPOSIT TURNOVER

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

| Bank group, or type of customer | 1977 | 1978 | 1979 ¹ | 1980 | 1981 | | | |
|---|----------|----------|-------------------|----------|----------|----------|----------|----------|
| | | | | Dec | Jan | Feb | Mar | Apr |
| Debits to demand deposits ¹ (seasonally adjusted) | | | | | | | | |
| 1 All commercial banks | 34,322.8 | 40,297.8 | 49,775.0 | 69,950.2 | 72,402.3 | 73,174.6 | 75,487.3 | 73,621.7 |
| 2 Major New York City banks | 13,860.6 | 15,008.7 | 18,512.7 | 27,352.2 | 29,656.0 | 29,752.0 | 30,276.0 | 29,501.3 |
| 3 Other banks | 20,462.2 | 25,289.1 | 31,262.3 | 42,598.0 | 42,746.3 | 43,422.5 | 45,211.3 | 44,120.4 |
| Debits to savings deposits ² (not seasonally adjusted) | | | | | | | | |
| 4 ATS/NOW ³ | 5.5 | 17.1 | 83.3 | 218.3 | 529.3 | 526.6 | 668.7 | 815.4 |
| 5 Business ⁴ | 21.7 | 56.7 | 77.3 | 119.2 | 108.2 | 93.4 | 112.8 | 112.4 |
| 6 Others ⁵ | 152.3 | 359.7 | 515.2 | 704.2 | 685.7 | 553.1 | 556.8 | 590.1 |
| 7 All accounts | 179.5 | 432.9 | 675.8 | 1,041.6 | 1,323.2 | 1,173.1 | 1,338.3 | 1,517.9 |
| Demand deposit turnover ¹ (seasonally adjusted) | | | | | | | | |
| 8 All commercial banks | 129.2 | 139.4 | 163.5 | 222.7 | 244.6 | 253.6 | 262.9 | 257.2 |
| 9 Major New York City banks | 503.0 | 541.9 | 646.2 | 865.8 | 956.2 | 952.6 | 959.5 | 1,001.9 |
| 10 Other banks | 85.9 | 96.8 | 113.3 | 150.8 | 161.3 | 168.7 | 176.9 | 171.8 |
| Savings deposit turnover ² (not seasonally adjusted) | | | | | | | | |
| 11 ATS/NOW ³ | 6.5 | 7.0 | 7.8 | 10.4 | 15.1 | 12.5 | 14.2 | 15.2 |
| 12 Business ⁴ | 4.1 | 5.1 | 7.2 | 11.3 | 10.9 | 9.8 | 11.3 | 11.6 |
| 13 Others ⁵ | 1.5 | 1.7 | 2.7 | 4.1 | 4.1 | 3.4 | 3.5 | 3.6 |
| 14 All accounts | 1.7 | 1.9 | 3.1 | 5.1 | 6.3 | 5.5 | 6.1 | 6.7 |

1. Represents accounts of individuals, partnerships, and corporations, and of states and political subdivisions.

2. Excludes special club accounts, such as Christmas and vacation clubs.

3. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS) ATS data availability starts with December 1978.

4. Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and federally sponsored lending agencies).

5. Savings accounts other than NOW, business, and, from December 1978, ATS.

NOTE: Historical data for the period 1970 through June 1977 have been estimated; these estimates are based in part on the debits series for 233 SMSAs, which were available through June 1977. Back data are available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Debits and turnover data for savings deposits are not available before July 1977.

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

| Item | 1977 Dec. | 1978 Dec | 1979 Dec | 1980 Dec | 1980 | | 1981 | | | |
|--|--------------|-------------|-------------|-------------|---------|---------|----------------------|----------------------|----------------------|---------|
| | | | | | Nov | Dec | Jan | Feb | Mar | Apr |
| Seasonally adjusted | | | | | | | | | | |
| MEASURES ¹ | | | | | | | | | | |
| 1 M-1A | 328.4 | 351.6 | 369.8 | 384.4 | 388.2 | 384.4 | 373.3 | 366.6 | 365.0 | 365.1 |
| 2 M-1B | 332.6 | 360.1 | 386.9 | 411.3 | 414.7 | 411.3 | 416.0 | 419.0 | 422.9 | 429.5 |
| 3 M-2 | 1,294.1 | 1,401.5 | 1,526.0 | 1,668.7 | 1,667.1 | 1,668.7 | 1,681.7 | 1,695.4 | 1,717.4 ^r | 1,735.5 |
| 4 M-3 | 1,460.3 | 1,623.6 | 1,775.5 | 1,952.2 | 1,941.0 | 1,952.2 | 1,978.6 | 1,996.4 | 2,012.3 ^r | 2,028.7 |
| 5 L ² | 1,720.2 | 1,934.9 | 2,151.8 | 2,365.3 | 2,346.7 | 2,365.3 | 2,398.4 ^r | 2,421.5 ^r | n a | n a |
| COMPONENTS | | | | | | | | | | |
| 6 Currency | 88.7 | 97.6 | 106.3 | 116.2 | 115.6 | 116.2 | 116.6 | 117.3 | 117.9 | 119.0 |
| 7 Demand deposits | 239.7 | 253.9 | 263.5 | 268.2 | 272.6 | 268.2 | 256.7 | 249.3 | 247.1 | 246.1 |
| 8 Savings deposits | 486.4 | 475.8 | 417.0 | 393.8 | 406.8 | 393.8 | 377.7 | 370.5 | 368.1 ^r | 367.1 |
| 9 Small-denomination time deposits ³ | 454.9 | 533.8 | 656.2 | 759.0 | 739.3 | 759.0 | 777.9 | 785.1 | 791.2 ^r | 791.7 |
| 10 Large-denomination time deposits ⁴ | 145.2 | 194.7 | 219.0 | 247.0 | 237.4 | 247.0 | 258.1 | 263.0 ^r | 259.1 ^r | 257.1 |
| Not seasonally adjusted | | | | | | | | | | |
| MEASURES ¹ | | | | | | | | | | |
| 11 M-1A | 337.2 | 360.9 | 379.4 | 394.7 | 391.1 | 394.7 | 377.3 | 358.2 | 358.3 | 368.3 |
| 12 M-1B | 341.4 | 369.5 | 396.4 | 421.8 | 417.7 | 421.8 | 420.6 | 409.4 | 415.1 | 432.9 |
| 13 M-2 | 1,295.9 | 1,403.6 | 1,527.7 | 1,674.7 | 1,665.7 | 1,674.7 | 1,684.7 | 1,685.1 ^r | 1,712.4 ^r | 1,743.5 |
| 14 M-3 | 1,464.5 | 1,629.2 | 1,780.8 | 1,962.8 | 1,942.1 | 1,962.8 | 1,984.3 | 1,988.3 | 2,009.9 ^r | 2,035.5 |
| 15 L ² | 1,723.2 | 1,938.3 | 2,154.3 | 2,372.0 | 2,344.7 | 2,372.0 | 2,401.4 ^r | 2,414.7 ^r | n a | n a |
| COMPONENTS | | | | | | | | | | |
| 16 Currency | 90.3 | 99.4 | 108.3 | 118.5 | 116.6 | 118.5 | 115.8 | 115.9 | 116.8 | 118.5 |
| 17 Demand deposits | 247.0 | 261.5 | 271.2 | 276.2 | 274.5 | 276.2 | 261.5 | 242.3 | 241.4 | 249.8 |
| 18 Other checkable deposits ⁵ | 4.2 | 8.6 | 17.0 | 27.1 | 26.6 | 27.1 | 43.3 | 51.2 | 56.8 | 64.6 |
| 19 Overnight RPs and Eurodollars ⁶ | 18.6 | 23.9 | 25.3 | 32.2 | 32.6 | 32.2 | 32.5 | 31.7 ^r | 32.9 ^r | 33.4 |
| 20 Money market mutual funds | 3.8 | 10.3 | 43.6 | 75.8 | 77.0 | 75.8 | 80.7 | 92.4 | 105.6 | 117.1 |
| 21 Savings deposits | 483.1 | 472.6 | 414.1 | 390.9 | 405.8 | 390.9 | 374.9 | 365.3 | 365.5 ^r | 366.5 |
| 22 Small-denomination time deposits ³ | 451.3 | 529.8 | 651.2 | 757.4 | 735.9 | 757.4 | 779.1 | 789.5 | 796.6 ^r | 796.9 |
| 23 Large-denomination time deposits ⁴ | 147.7 | 198.2 | 222.6 | 251.5 | 240.0 | 251.5 | 260.7 | 265.3 ^r | 261.7 ^r | 255.9 |

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

M-1A: Averages of daily figures for (1) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (2) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks

M-1B: M-1A plus negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks

M-2: M-1B plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and money market mutual fund shares

M-3: M-2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations

L: M-3 plus other liquid assets such as term Eurodollars held by U.S. residents other than banks, bankers' acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U.S. savings bonds

3. Small-denomination time deposits are those issued in amounts of less than \$100,000

4. Large-denomination time deposits are those issued in amounts of \$100,000 or more and are net of the holdings of domestic banks, thrift institutions, the U.S. government, money market mutual funds, and foreign banks and official institutions

5. Includes ATS and NOW balances at all institutions, credit union share draft balances, and demand deposits at mutual savings banks

6. Overnight (and continuing contract) RPs are those issued by commercial banks to the nonbank public, and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. nonbank customers.

NOTE: Latest monthly and weekly figures are available from the Board's H 6(508) release. Back data are available from the Banking Section, Division of Research and Statistics. The monetary aggregates and their components have been revised due to new seasonal adjustment factors.

1.22 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS¹ AND MEMBER BANK DEPOSITS

Billions of dollars, averages of daily figures

| Item | 1978 Dec | 1979 Dec | 1980 Dec | 1980 | | | 1981 | | | |
|--|-------------|-------------|-------------|--------------------|--------------------|--------------------|--------------------|-------|--------------------|-------|
| | | | | Oct | Nov ² | Dec | Jan. | Feb | Mar | Apr |
| Seasonally adjusted | | | | | | | | | | |
| 1 Total reserves ³ | 41.16 | 43.46 | 40.13 | 41.73 | 41.23 | 40.13 | 40.10 | 39.76 | 40.25 | 40.25 |
| 2 Nonborrowed reserves | 40.29 | 41.98 | 38.44 | 40.42 | 39.17 | 38.44 | 38.70 | 38.45 | 39.25 | 38.91 |
| 3 Required reserves | 40.93 | 43.13 | 39.58 | 41.52 | 40.73 | 39.58 | 39.56 | 39.58 | 39.87 | 40.10 |
| 4 Monetary base ⁴ | 142.2 | 153.7 | 159.8 | 160.9 | 160.7 | 159.8 | 160.1 | 160.6 | 161.3 | 162.2 |
| 5 Member bank deposits subject to reserve requirements ⁵ | 616.1 | 644.5 | 701.8 | 684.7 | 694.3 | 701.8 | 703.8 | 704.3 | 703.6 | 711.3 |
| 6 Time and savings | 428.7 | 451.2 | 485.6 | 485.5 | 475.4 | 485.6 | 517.4 | 523.3 | 524.7 | 531.1 |
| 7 Demand | | | | | | | | | | |
| 7 Private | 185.1 | 191.5 | 196.0 | 195.6 | 198.1 | 196.0 | 184.1 | 178.9 | 176.9 ^r | 177.4 |
| 8 U.S. government... | 2.2 | 1.8 | 1.9 | 2.4 | 2.2 | 1.9 | 2.3 | 2.1 | 2.0 | 2.8 |
| Not seasonally adjusted | | | | | | | | | | |
| 9 Monetary base ⁴ | 144.6 | 156.2 | 162.5 | 160.6 ^r | 161.5 ^r | 162.5 ^r | 161.0 ^r | 158.9 | 159.6 | 161.6 |
| 10 Member bank deposits subject to reserve requirements ⁵ | 624.0 | 652.7 | 710.3 | 684.2 | 694.6 | 710.3 | 712.6 | 701.5 | 703.2 | 713.5 |
| 11 Time and savings | 429.6 | 452.1 | 486.5 | 485.7 | 493.0 | 505.0 | 520.5 | 524.8 | 527.9 | 531.6 |
| 12 Demand | | | | | | | | | | |
| 12 Private | 191.9 | 198.6 | 203.2 | 196.4 | 199.6 | 203.3 | 189.9 | 174.6 | 173.2 | 178.9 |
| 13 U.S. government | 2.5 | 2.0 | 2.1 | 2.1 | 1.9 | 2.1 | 2.1 | 2.0 | 2.1 | 3.0 |

1 Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Before Nov. 13, 1980, the date of implementation of the Monetary Control Act, only the reserves of commercial banks that were members of the Federal Reserve System were included in the series. Since that date the series include the reserves of all depository institutions. In conjunction with the implementation of the act, required reserves of member banks were reduced about \$4.3 billion and required reserves of other depository institutions were increased about \$1.4 billion. Effective Oct. 11, 1979, an 8 percentage point marginal reserve requirement was imposed on "Managed Liabilities." This action raised required reserves about \$320 million. Effective Mar. 12, 1980, the 8 percentage point marginal reserve requirement was raised to 10 percentage points. In addition the base upon which the marginal reserve requirement was calculated was reduced. This action increased required reserves about \$1.7 million in the week ending Apr. 2, 1980. Effective May 29, 1980, the marginal reserve requirement was reduced from 10 to 5 percentage points and the base upon which the marginal reserve requirement was calculated was raised. This action reduced required reserves about \$980 million in the week ending June 18, 1980. Effective July 24, 1980, the 5 percent marginal reserve requirement on managed liabilities and the 2 percent supplementary reserve requirement against large time deposits were removed. These actions reduced required reserves about \$3.2 billion.

2 Reserve measures for November reflect increases in required reserves associated with the reduction of weekend avoidance activities of a few large banks. The reduction in these activities lead to essentially a one-time increase in the average level of required reserves that need to be held for a given level of deposits entering the money supply. In November, this increase in required reserves is estimated at \$550 to \$600 million.

3 Reserve balances with Federal Reserve Banks plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

4 Includes reserve balances at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions.

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

NOTE: Latest monthly and weekly figures are available from the Board's H 3(502) statistical release. Back data and estimates of the impact on required reserves and changes in reserve requirements are available from the Banking Section, Division of Research and Statistics.

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars, averages of Wednesday figures

| Category | 1978 Dec | 1979 Dec | 1980 Dec | 1981 | | 1978 Dec | 1979 Dec | 1980 Dec | 1981 | |
|--|----------------------------|------------------------------|----------------------------|----------------------------|---------------------|----------------------------|------------------------------|----------------------------|----------------------------|---------------------|
| | | | | Mar | Apr | | | | Mar | Apr |
| | | | | Seasonally adjusted | | | | | Not seasonally adjusted | |
| 1 Total loans and securities² | 1,013.4³ | 1,134.6⁴ | 1,237.3⁵ | 1,262.3⁶ | 1,267.0 | 1,022.5³ | 1,145.0⁴ | 1,248.9⁵ | 1,256.1⁶ | 1,265.6 |
| 2 U.S. Treasury securities | 93.3 | 93.8 | 110.7 | 114.9 | 115.3 | 94.5 | 95.0 | 112.1 | 117.2 ⁶ | 118.9 |
| 3 Other securities | 173.2 ³ | 191.8 | 213.9 | 218.2 | 217.6 | 173.9 ³ | 192.6 | 214.8 | 217.6 ⁶ | 218.0 |
| 4 Total loans and leases ² | 746.9 ³ | 818.9 ⁴ | 912.7 ⁵ | 929.1 ⁶ | 934.2 | 754.2 ³ | 857.4 ⁴ | 922.1 ⁵ | 921.4 ⁶ | 928.7 |
| 5 Commercial and industrial loans | 246.1 ⁶ | 291.1 ⁷ | 324.9 ⁵ | 332.3 | 333.1 ¹² | 247.7 ⁶ | 293.0 ⁷ | 327.0 ⁵ | 330.4 | 333.7 ¹² |
| 6 Real estate loans | 210.5 | 241.3 ⁴ | 260.6 ⁵ | 266.7 ⁶ | 268.3 | 210.9 | 241.8 ⁴ | 261.1 ⁵ | 265.1 ⁶ | 267.0 |
| 7 Loans to individuals | 164.7 | 184.9 | 175.2 | 174.6 | 174.5 | 165.6 | 186.0 | 176.2 | 172.0 | 172.3 |
| 8 Security loans | 19.3 | 18.6 | 17.6 | 18.7 ⁶ | 19.7 | 20.6 | 19.8 | 18.8 | 18.6 ⁶ | 19.4 |
| 9 Loans to nonbank financial institutions | 27.1 ⁷ | 28.8 ⁴ | 28.7 ⁵ | 28.7 | 28.8 | 27.6 ⁷ | 29.3 ⁴ | 29.2 ⁵ | 28.1 | 28.4 |
| 10 Agricultural loans | 28.2 | 31.1 | 31.6 | 31.9 ⁶ | 31.9 | 28.1 | 30.9 | 31.4 | 31.4 ⁶ | 31.5 |
| 11 Lease financing receivables | 7.5 | 9.3 | 10.9 | 12.0 ⁶ | 12.1 | 7.5 | 9.3 | 10.9 | 12.0 ⁶ | 12.1 |
| 12 All other loans | 43.6 ³ | 44.0 | 63.4 | 64.3 ⁶ | 65.8 | 46.2 ³ | 47.3 | 67.5 | 64.0 ⁶ | 64.4 |
| MEMO | | | | | | | | | | |
| 13 Total loans and securities plus loans sold^{2,9} | 1,017.1³ | 1,137.6^{4,8} | 1,240.0⁵ | 1,265.1⁶ | 1,269.8 | 1,026.2³ | 1,148.0^{4,8} | 1,251.6⁵ | 1,258.9⁶ | 1,268.3 |
| 14 Total loans plus loans sold ^{2,9} | 750.6 ³ | 851.9 ^{4,8} | 915.5 ⁵ | 931.9 ⁶ | 936.9 | 757.9 ³ | 860.4 ^{4,8} | 924.8 ⁵ | 924.2 ⁶ | 931.4 |
| 15 Total loans sold to affiliates ⁹ | 3.7 | 3.0 ⁸ | 2.7 | 2.8 | 2.7 | 3.7 | 3.0 ⁸ | 2.7 | 2.8 | 2.7 |
| 16 Commercial and industrial loans plus loans sold ⁹ | 248.0 ^{6,10} | 293.1 ^{1,8} | 326.6 ⁵ | 334.1 | 334.9 ¹² | 249.6 ^{6,10} | 295.0 ^{1,8} | 328.8 ⁵ | 332.2 | 335.6 ¹² |
| 17 Commercial and industrial loans sold ⁹ | 1.9 ¹⁰ | 2.0 ⁸ | 1.8 | 1.9 | 1.9 | 1.9 ¹⁰ | 2.0 ⁸ | 1.8 | 1.9 | 1.9 |
| 18 Acceptances held | 6.6 | 8.2 | 8.1 | 8.8 | 9.6 | 7.3 | 9.1 | 8.8 | 8.8 | 9.3 |
| 19 Other commercial and industrial loans | 239.5 | 282.9 | 316.7 | 323.5 | 323.5 | 240.4 | 283.9 | 318.2 | 321.5 | 324.4 |
| 20 To U.S. addressees ¹¹ | 226.0 | 264.1 | 295.2 | 297.9 | 297.8 | 225.9 | 264.1 | 295.2 | 296.3 | 298.9 |
| 21 To non-U.S. addressees | 13.5 | 18.8 | 21.5 | 25.6 | 25.7 | 14.5 | 19.8 | 23.0 | 25.2 | 25.5 |
| 22 Loans to foreign banks | 21.5 | 18.5 | 23.2 | 22.8 | 22.8 | 23.2 | 20.0 | 24.9 | 22.2 | 22.1 |

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

2 Excludes loans to commercial banks in the United States.

3 As of Dec. 31, 1978, total loans and securities were reduced by \$0.1 billion. "Other securities" were increased by \$1.5 billion and total loans were reduced by \$1.6 billion largely as the result of reclassifications of certain tax-exempt obligations. Most of the loan reduction was in all other loans.

4 As of Jan. 3, 1979, as the result of reclassifications, total loans and securities and total loans were increased by \$0.6 billion. Business loans were increased by \$0.4 billion and real estate loans by \$0.5 billion. Nonbank financial loans were reduced by \$0.3 billion.

5 Absorption of a nonbank affiliate by a large commercial bank added the following to February figures: total loans and securities, \$1.0 billion; total loans and leases, \$1.0 billion; commercial and industrial loans, \$.5 billion; real estate loans, \$.1 billion; nonbank financial, \$.1 billion.

6 As of Dec. 31, 1978, commercial and industrial loans were reduced \$0.1 billion as a result of reclassifications.

7 As of Dec. 31, 1978, nonbank financial loans were reduced \$0.1 billion as the result of reclassification.

8 As of Dec. 1, 1979, loans sold to affiliates were reduced \$800 million and commercial and industrial loans sold were reduced \$700 million due to corrections of two banks in New York City.

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

10 As of Dec. 31, 1978, commercial and industrial loans sold outright were increased \$0.7 billion as the result of reclassifications, but \$0.1 billion of this amount was offset by a balance sheet reduction of \$0.1 billion as noted above.

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

12 An accounting procedure change by one bank reduced commercial and industrial loans by \$0.1 billion as of Apr. 1, 1981.

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

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Monthly averages, billions of dollars

| Source | December outstanding | | | Outstanding in 1980 and 1981 | | | | | | | | |
|--|----------------------|-------|-------|------------------------------|-------|-------|--------------------|--------------------|--------------------|--------------------|--------------------|-------|
| | 1977 | 1978 | 1979 | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr |
| Total nondeposit funds | | | | | | | | | | | | |
| 1 Seasonally adjusted ² | 61.5 | 91.2 | 121.1 | 109.4 | 114.0 | 119.9 | 116.9 ^r | 120.5 ^r | 124.8 ^r | 122.5 ^r | 117.6 ^r | 112.1 |
| 2 Not seasonally adjusted | 60.1 | 90.2 | 119.8 | 112.3 | 114.5 | 120.8 | 120.1 ^r | 119.9 ^r | 122.2 ^r | 121.7 ^r | 117.4 ^r | 111.7 |
| Federal funds, RPs, and other borrowings from non-banks ³ | | | | | | | | | | | | |
| 3 Seasonally adjusted | 58.4 | 80.7 | 90.0 | 96.2 | 102.2 | 105.7 | 105.4 ^r | 109.6 ^r | 113.7 ^r | 111.1 ^r | 110.9 ^r | 109.7 |
| 4 Not seasonally adjusted | 57.0 | 79.7 | 88.7 | 99.1 | 102.7 | 106.6 | 108.6 ^r | 109.0 ^r | 111.1 ^r | 110.4 ^r | 110.6 ^r | 109.3 |
| 5 Net balances due to foreign-related institutions, not seasonally adjusted | -1.5 | 6.8 | 28.1 | 10.3 | 8.9 | 11.4 | 8.9 | 8.2 | 8.3 | 8.5 ^r | 4.0 ^r | 3 |
| 6 Loans sold to affiliates, not seasonally adjusted ^{4,5} | 4.7 | 3.7 | 3.0 | 2.9 | 2.9 | 2.8 | 2.6 | 2.7 | 2.8 | 2.8 | 2.8 | 2.7 |
| MEMO | | | | | | | | | | | | |
| 7 Domestically chartered banks net positions with own foreign branches, not seasonally adjusted ⁶ | -12.5 | -10.2 | 6.5 | -10.3 | -14.5 | -12.9 | -14.2 | -14.7 | -16.2 | -14.7 ^r | -16.9 ^r | -21.3 |
| 8 Gross due from balances | 21.1 | 24.9 | 22.8 | 35.8 | 38.2 | 38.3 | 37.3 ^r | 37.5 | 37.5 ^r | 36.4 ^r | 38.9 ^r | 43.1 |
| 9 Gross due to balances | 8.6 | 14.7 | 29.3 | 25.5 | 23.7 | 25.5 | 23.1 ^r | 22.8 ^r | 21.2 | 21.7 ^r | 22.0 ^r | 21.8 |
| 10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted ⁷ | 10.9 | 17.0 | 21.6 | 20.6 | 23.3 | 24.3 | 23.1 | 22.9 | 24.5 | 23.2 ^r | 20.9 | 21.0 |
| 11 Gross due from balances | 10.7 | 14.3 | 28.9 | 30.9 | 30.3 | 30.8 | 31.0 | 32.5 | 31.4 | 31.7 | 31.7 | 33.8 |
| 12 Gross due to balances | 21.7 | 31.3 | 50.5 | 51.6 | 53.6 | 55.2 | 54.1 | 55.4 | 55.9 | 54.9 ^r | 52.6 | 54.7 |
| Security RP borrowings | | | | | | | | | | | | |
| 13 Seasonally adjusted ⁸ | 36.0 | 44.8 | 49.2 | 57.5 | 56.2 | 59.7 | 58.8 | 63.4 | 68.7 | 67.0 | 67.1 | 67.0 |
| 14 Not seasonally adjusted | 35.1 | 43.6 | 47.9 | 59.1 | 58.7 | 59.5 | 60.9 | 61.7 | 65.0 | 65.2 | 65.8 | 65.6 |
| U.S. Treasury demand balances ⁹ | | | | | | | | | | | | |
| 15 Seasonally adjusted | 4.4 | 8.7 | 8.9 | 11.3 | 11.3 | 11.7 | 8.1 | 8.3 | 6.9 | 8.1 | 11.6 | 12.2 |
| 16 Not seasonally adjusted | 5.1 | 10.3 | 9.7 | 9.3 | 14.2 | 12.7 | 6.6 | 9.0 | 7.9 | 8.1 | 10.2 | 12.0 |
| Time deposits, \$100,000 or more ¹⁰ | | | | | | | | | | | | |
| 17 Seasonally adjusted | 162.0 | 213.0 | 227.1 | 237.1 | 240.3 | 242.0 | 247.8 | 257.0 | 268.0 | 272.5 | 270.2 | 272.9 |
| 18 Not seasonally adjusted | 165.4 | 217.9 | 232.8 | 232.1 | 236.7 | 241.1 | 250.8 | 263.4 | 272.8 | 276.8 | 274.8 | 272.3 |

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestically chartered banks and averages of current and previous month-end data for foreign-related institutions.

3. Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans. Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions.

4. Loans initially booked by the bank and later sold to affiliates that are still held by affiliates. Averages of Wednesday data.

5. As of Dec. 1, 1979, loans sold to affiliates were reduced \$800 million due to corrections of two New York City banks.

6. Averages of daily figures for member and nonmember banks. Before October 1980 nonmember banks were interpolated from quarterly call report data.

7. Includes averages of current and previous month-end data until August 1979, beginning September 1979 averages of daily data.

8. Based on daily average data reported by 122 large banks beginning February 1980 and 46 banks before February 1980.

9. Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.

10. Averages of Wednesday figures.

NOTE: Movement of federal funds, RPs, and other borrowings from nonbanks (lines 3 and 4) is based on fluctuations in security RP borrowings (lines 13 and 14) and borrowings from unaffiliated foreign sources (not shown).

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

Billions of dollars except for number of banks

| Account | 1980 | | | | | | 1981 | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May |
| DOMESTICALLY CHARTERED COMMERCIAL BANKS¹ | | | | | | | | | | | |
| 1 Loans and investments, excluding interbank | 1,095.3 | 1,108.5 | 1,117.9 | 1,131.8 | 1,150.8 | 1,177.1 | 1,166.0 | 1,167.0 | 1,169.7 | 1,187.8 | 1,194.6 |
| 2 Loans, excluding interbank | 793.1 | 801.9 | 809.1 | 821.6 | 832.8 | 851.4 | 840.2 | 839.0 | 840.8 | 855.4 | 862.4 |
| 3 Commercial and industrial | 257.1 | 259.5 | 263.9 | 269.0 | 275.7 | 281.5 | 277.6 | 276.3 | 277.9 | 285.4 | 287.9 |
| 4 Other | 536.3 | 542.4 | 545.2 | 552.6 | 557.1 | 569.9 | 562.6 | 562.7 | 563.1 | 570.1 | 574.5 |
| 5 U.S. Treasury securities | 98.7 | 101.4 | 103.2 | 104.4 | 107.1 | 111.2 | 112.0 | 113.7 | 112.8 | 115.8 | 114.9 |
| 6 Other securities | 203.3 | 205.2 | 205.6 | 208.9 | 208.9 | 214.6 | 213.8 | 214.3 | 216.2 | 216.6 | 217.3 |
| 7 Cash assets, total | 154.3 | 148.8 | 156.6 | 155.9 | 175.6 | 194.2 | 159.3 | 165.9 | 166.4 | 181.8 | 180.3 |
| 8 Currency and coin | 17.5 | 18.2 | 17.8 | 18.3 | 16.9 | 19.9 | 18.7 | 18.6 | 17.8 | 18.8 | 19.5 |
| 9 Reserves with Federal Reserve Banks | 37.2 | 29.0 | 31.1 | 31.7 | 30.4 | 28.2 | 25.2 | 30.4 | 31.7 | 38.3 | 25.2 |
| 10 Balances with depository institutions | 45.0 | 45.9 | 46.8 | 47.2 | 56.1 | 63.0 | 54.9 | 54.6 | 53.6 | 57.3 | 62.0 |
| 11 Cash items in process of collection | 59.6 | 55.8 | 60.9 | 58.8 | 72.2 | 83.0 | 60.5 | 62.3 | 63.3 | 67.4 | 73.6 |
| 12 Other assets ² | 113.5 | 150.3 | 154.4 | 151.3 | 151.3 | 165.6 | 158.8 | 160.1 | 164.9 | 167.7 | 158.8 |
| 13 Total assets/total liabilities and capital | 1,393.1 | 1,407.7 | 1,428.9 | 1,442.1 | 1,477.7 | 1,537.0 | 1,481.0 | 1,493.0 | 1,501.1 | 1,537.3 | 1,533.7 |
| 14 Deposits | 1,053.1 | 1,062.8 | 1,077.2 | 1,092.9 | 1,126.9 | 1,187.4 | 1,128.7 | 1,132.0 | 1,136.7 | 1,151.7 | 1,170.3 |
| 15 Demand | 363.5 | 363.4 | 369.7 | 375.7 | 393.0 | 432.2 | 351.1 | 345.5 | 345.1 | 356.8 | 360.7 |
| 16 Savings | 208.5 | 208.5 | 209.1 | 210.9 | 209.5 | 201.3 | 211.9 | 214.3 | 220.6 | 222.7 | 220.9 |
| 17 Time | 481.2 | 490.9 | 498.5 | 506.2 | 524.7 | 553.8 | 565.7 | 572.3 | 570.7 | 572.2 | 588.7 |
| 18 Borrowings | 157.0 | 158.5 | 163.7 | 161.7 | 157.3 | 156.4 | 156.4 | 163.2 | 163.7 | 179.5 | 155.7 |
| 19 Other liabilities | 74.0 | 75.4 | 75.6 | 74.7 | 78.1 | 79.0 | 76.7 | 80.3 | 80.7 | 81.8 | 82.3 |
| 20 Residual (assets less liabilities) | 109.0 | 111.0 | 113.3 | 112.7 | 116.1 | 114.2 | 119.3 | 117.5 | 170.0 | 124.3 | 125.4 |
| M/MO | | | | | | | | | | | |
| 21 U.S. Treasury note balances included in borrowing | 7.6 | 8.7 | 15.7 | 11.5 | 4.4 | 10.2 | 9.5 | 8.5 | 10.2 | 16.9 | 5.5 |
| 22 Number of banks | 14,658 | 14,666 | 14,678 | 14,760 | 14,692 | 14,693 | 14,689 | 14,696 | 14,701 | 14,713 | 14,719 |
| ALL COMMERCIAL BANKING INSTITUTIONS³ | | | | | | | | | | | |
| 23 Loans and investments, excluding interbank | ↑ | ↑ | 1,194.3 | ↑ | ↑ | 1,262.4 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 24 Loans, excluding interbank | ↑ | ↑ | 881.5 | ↑ | ↑ | 932.5 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 25 Commercial and industrial | ↑ | ↑ | 308.1 | ↑ | ↑ | 330.6 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 26 Other | ↑ | ↑ | 573.4 | ↑ | ↑ | 601.9 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 27 U.S. Treasury securities | ↑ | ↑ | 105.6 | ↑ | ↑ | 113.6 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 28 Other securities | ↑ | ↑ | 207.9 | ↑ | ↑ | 216.3 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 29 Cash assets, total | ↑ | ↑ | 178.2 | ↑ | ↑ | 218.6 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 30 Currency and coin | ↑ | ↑ | 17.8 | ↑ | ↑ | 20.0 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 31 Reserves with Federal Reserve Banks | ↑ | ↑ | 31.6 | ↑ | ↑ | 39.0 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 32 Balances with depository institutions | n.a. | n.a. | 66.4 | n.a. | n.a. | 85.0 | n.a. | n.a. | n.a. | n.a. | n.a. |
| 33 Cash items in process of collection | ↑ | ↑ | 62.4 | ↑ | ↑ | 81.7 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 34 Other assets ² | ↑ | ↑ | 204.3 | ↑ | ↑ | 227.7 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 35 Total assets/total liabilities and capital | ↑ | ↑ | 1,576.8 | ↑ | ↑ | 1,703.7 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 36 Deposits | ↑ | ↑ | 1,123.1 | ↑ | ↑ | 1,239.9 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 37 Demand | ↑ | ↑ | 388.8 | ↑ | ↑ | 453.6 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 38 Savings | ↑ | ↑ | 209.5 | ↑ | ↑ | 201.6 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 39 Time | ↑ | ↑ | 524.9 | ↑ | ↑ | 584.7 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 40 Borrowings | ↑ | ↑ | 211.0 | ↑ | ↑ | 210.4 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 41 Other liabilities | ↑ | ↑ | 129.7 | ↑ | ↑ | 135.5 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 42 Residual (assets less liabilities) | ↑ | ↑ | 113.9 | ↑ | ↑ | 117.9 | ↑ | ↑ | ↑ | ↑ | ↑ |
| M/MO | | | | | | | | | | | |
| 43 U.S. Treasury note balances included in borrowing | ↑ | ↑ | 15.7 | ↑ | ↑ | 9.5 | ↑ | ↑ | ↑ | ↑ | ↑ |
| 44 Number of banks | ↑ | ↑ | 15,084 | ↑ | ↑ | 15,120 | ↑ | ↑ | ↑ | ↑ | ↑ |

1. Domestically chartered commercial banks include all commercial banks in the United States except branches of foreign banks; included are member and non-member banks, stock savings banks, and nondeposit trust companies.

2. Other assets include loans to U.S. commercial banks.

3. Commercial banking institutions include domestically chartered commercial banks, branches and agencies of foreign banks, Edge Act and Agreement corporations, and New York State foreign investment corporations.

Note: Figures are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Data for domestically chartered commercial banks are for the last Wednesday of the month; data for other banking institutions are for last Wednesday except at end of quarter, when they are for the last day of the month.

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

| Account | 1981 | | | | | | | | |
|---|---------|---------|---------|---------|---------------------|--------------------|---------------------|---------------------|---------------------|
| | Apr 1 | Apr 8 | Apr 15 | Apr 22 | Apr 29 ^P | May 6 ^P | May 13 ^P | May 20 ^P | May 27 ^P |
| BANKS WITH ASSETS OF \$750 MILLION OR MORE | | | | | | | | | |
| 1 Total loans (gross) and securities adjusted ¹ | 550,385 | 544,355 | 546,434 | 545,626 | 547,759 | 553,455 | 549,815 | 548,285 | 550,494 |
| 2 Total loans (gross) adjusted ¹ | 430,253 | 424,872 | 427,996 | 427,353 | 430,414 | 434,916 | 433,312 | 431,930 | 434,005 |
| 3 Demand deposits adjusted ² | 106,568 | 101,162 | 103,885 | 99,223 | 97,582 | 97,070 | 94,446 | 93,392 | 94,457 |
| 4 Time deposits in accounts of \$100,000 or more | 156,168 | 155,329 | 155,592 | 157,279 | 158,909 | 161,485 | 164,016 | 165,729 | 166,788 |
| 5 Negotiable CDs . . . | 111,537 | 110,966 | 111,653 | 113,051 | 114,195 | 116,126 | 118,038 | 119,009 | 120,051 |
| 6 Other time deposits | 44,631 | 44,363 | 43,938 | 44,227 | 44,714 | 45,358 | 45,978 | 46,720 | 46,738 |
| 7 Loans sold outright to affiliates ³ | 2,730 | 2,710 | 2,716 | 2,691 | 2,748 | 2,705 | 2,754 | 2,778 | 2,773 |
| 8 Commercial and industrial | 1,842 | 1,849 | 1,846 | 1,854 | 1,880 | 1,869 | 1,917 | 1,946 | 1,942 |
| 9 Other | 889 | 861 | 870 | 838 | 868 | 836 | 838 | 831 | 831 |
| BANKS WITH ASSETS OF \$1 BILLION OR MORE | | | | | | | | | |
| 10 Total loans (gross) and securities adjusted ¹ | 514,738 | 508,727 | 510,761 | 509,789 | 512,014 | 517,495 | 513,981 | 512,416 | 514,719 |
| 11 Total loans (gross) adjusted ¹ | 404,322 | 398,988 | 401,987 | 401,232 | 404,388 | 408,638 | 407,131 | 405,707 | 407,853 |
| 12 Demand deposits adjusted ² | 98,971 | 93,781 | 96,530 | 92,178 | 90,650 | 89,711 | 87,377 | 86,053 | 87,511 |
| 13 Time deposits in accounts of \$100,000 or more | 147,495 | 146,778 | 147,358 | 149,025 | 150,583 | 153,049 | 155,454 | 157,009 | 157,988 |
| 14 Negotiable CDs . . . | 105,529 | 105,049 | 106,021 | 107,374 | 108,492 | 110,339 | 112,167 | 113,024 | 113,990 |
| 15 Other time deposits | 41,966 | 41,728 | 41,338 | 41,651 | 42,091 | 42,709 | 43,287 | 43,985 | 43,997 |
| 16 Loans sold outright to affiliates ³ | 2,692 | 2,675 | 2,680 | 2,647 | 2,692 | 2,654 | 2,697 | 2,726 | 2,718 |
| 17 Commercial and industrial | 1,813 | 1,822 | 1,819 | 1,823 | 1,842 | 1,828 | 1,868 | 1,904 | 1,896 |
| 18 Other | 880 | 852 | 862 | 824 | 850 | 826 | 829 | 822 | 822 |
| BANKS IN NEW YORK CITY | | | | | | | | | |
| 19 Total loans (gross) and securities adjusted ^{1,4} | 125,575 | 122,576 | 124,562 | 123,547 | 124,718 | 126,798 | 126,104 | 125,236 | 126,269 |
| 20 Total loans (gross) adjusted ¹ | 103,338 | 99,907 | 101,626 | 100,582 | 101,953 | 103,631 | 102,816 | 101,959 | 103,032 |
| 21 Demand deposits adjusted ² | 27,379 | 23,406 | 24,733 | 23,388 | 22,877 | 23,258 | 21,184 | 21,892 | 24,457 |
| 22 Time deposits in accounts of \$100,000 or more | 36,907 | 36,950 | 37,688 | 37,763 | 37,775 | 38,383 | 38,667 | 38,302 | 37,728 |
| 23 Negotiable CDs . . . | 27,358 | 27,416 | 28,194 | 28,301 | 28,308 | 28,666 | 28,908 | 28,507 | 28,020 |
| 24 Other time deposits | 9,548 | 9,533 | 9,494 | 9,463 | 9,467 | 9,717 | 9,759 | 9,795 | 9,708 |

¹ Exclusive of loans and federal funds transactions with domestic commercial banks

² All demand deposits except U.S. government and domestic banks less cash items in process of collection

³ Loans sold are those sold outright to a bank's own foreign branches, non-consolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company

⁴ Includes trading account securities

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Domestic Classified Commercial and Industrial Loans

Millions of dollars

| Industry classification | Outstanding | | | | | Net change during | | | | |
|--|----------------|----------------|----------------|----------------|---------------------|-------------------|----------------|------------|--------------|------------------|
| | 1981 | | | | | 1980 | 1981 | 1981 | | |
| | Jan 28 | Feb 25 | Mar 25 | Apr 29 | May 27 ^a | Q4 | Q1 | Mar | Apr. | May ^b |
| 1 Durable goods manufacturing | 24,383 | 24,472 | 24,654 | 24,570 | 24,623 | 1 170 | - 30 | 182 | - 84 | 52 |
| 2 Nondurable goods manufacturing | 19,359 | 18 937 | 19,401 | 19,845 | 20,266 | 974 | - 1,104 | 464 | 444 | 421 |
| 3 Food, liquor, and tobacco | 4,915 | 4,529 | 4 580 | 4 409 | 4 577 | 1 041 | - 807 | 52 | - 171 | 168 |
| 4 Textiles, apparel, and leather | 4,096 | 4,364 | 4,351 | 4,469 | 4,603 | - 1,054 | 200 | - 13 | 118 | 134 |
| 5 Petroleum refining | 3,185 | 2,929 | 2,982 | 3,298 | 3 457 | 950 | - 655 | 53 | 316 | 159 |
| 6 Chemicals and rubber | 3,782 | 3,673 | 3,838 | 4,036 | 3 957 | 184 | - 80 | 165 | 198 | - 79 |
| 7 Other nondurable goods | 3 381 | 3 442 | 3,650 | 3,633 | 3 672 | - 147 | 237 | 208 | - 18 | 40 |
| 8 Mining (including crude petroleum and natural gas) | 16,251 | 15,935 | 15,750 | 16,752 | 17,182 | 2,470 | - 677 | - 185 | 1,002 | 430 |
| 9 Trade | 25 550 | 25,242 | 25,617 | 26 778 | 26 306 | 1 290 | - 622 | 375 | 1,160 | - 472 |
| 10 Commodity dealers | 2,116 | 1,874 | 1,950 | 2,337 | 1,865 | 444 | - 613 | 76 | 387 | - 472 |
| 11 Other wholesale | 12 055 | 11,704 | 11,875 | 12,244 | 12,023 | 707 | - 417 | 170 | 369 | 221 |
| 12 Retail | 11,378 | 11,663 | 11,792 | 12,196 | 12 418 | 139 | 409 | 129 | 404 | 222 |
| 13 Transportation, communication, and other public utilities | 20,741 | 20,270 | 19 973 | 20,338 | 20,403 | 2,081 | - 1,330 | - 297 | 365 | 65 |
| 14 Transportation | 8,254 | 8,139 | 8 107 | 8,156 | 8 343 | 639 | - 264 | - 32 | 49 | 187 |
| 15 Communication | 3,184 | 3,097 | 3,160 | 3,275 | 3,462 | 326 | - 160 | 63 | 115 | 186 |
| 16 Other public utilities | 9,303 | 9,033 | 8,705 | 8,906 | 8,597 | 1,116 | - 906 | - 328 | 201 | - 308 |
| 17 Construction | 5,950 | 6,109 | 6,225 | 6,446 | 6,988 | - 35 | 232 | 116 | 221 | 542 |
| 18 Services | 23,242 | 23,528 | 23,611 | 24,074 | 24 422 | 1 548 | 752 | 83 | 463 | 347 |
| 19 All other ² | 15 775 | 15,817 | 15,181 | 15,426 | 15,031 | 1,166 | - 1,728 | - 636 | 245 | - 395 |
| 20 Total domestic loans | 151,252 | 150,310 | 150,413 | 154,230 | 155,221 | 10,665 | - 4,508 | 103 | 3,817 | 991 |
| 21 M.M.O. Term loans (original maturity more than 1 year) included in domestic loans | 81,794 | 80,147 | 79,298 | 80,333 | 82,441 | 5,247 | - 2,482 | - 849 | 1,036 | 2,108 |

1 Adjustment bank amounts represent accumulated adjustments originally made to offset the cumulative effects of mergers. These adjustment amounts should be added to outstanding data for any date in the year to establish comparability with any date in the subsequent year. Changes shown have been adjusted for these amounts.

2 Includes commercial and industrial loans at a few banks with assets of \$1 billion or more that do not classify their loans.

NOTE. New series. The 134 large weekly reporting commercial banks with domestic assets of \$1 billion or more as of December 31, 1977, are included in this series. The revised series is on a last-Wednesday-of-the-month basis. Partly estimated historical data are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

NOTES TO TABLE 1.31

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

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

3 Demand deposit ownership data for March 1981 are subject to greater than normal errors reflecting unusual reporting difficulties associated with funds shifted to NOW accounts authorized at year-end 1980. For the household category, the \$15.7 billion decline in demand deposits at all commercial banks between December 1980 and March 1981 has an estimated standard error of \$4.8 billion.

4 After the end of 1978 the large weekly reporting bank panel was changed to 170 large commercial banks, each of which had total assets in domestic offices exceeding \$750 million as of Dec. 31, 1977. See "Announcements," p. 408 in the May 1978 BULLETIN. Beginning in March 1979, demand deposit ownership estimates for these large banks are constructed quarterly on the basis of 97 sample banks and are not comparable with earlier data. The following estimates in billions of dollars for December 1978 have been constructed for the new large-bank panel, financial business, 18.2; nonfinancial business, 67.2; consumer, 32.8; foreign, 2.5; other, 6.8.

1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations¹

Billions of dollars, estimated daily-average balances

| Type of holder | Commercial banks | | | | | | | | | |
|--|------------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|--------------------------|------------------|
| | 1975 Dec | 1976 Dec | 1977 Dec | 1978 Dec | 1979 ² | 1980 | | | | 1981 |
| | | | | | Dec | Mar | June | Sept | Dec | Mar ³ |
| 1 All holders—Individuals, partnerships, and corporations | 236.9 | 250.1 | 274.4 | 294.6 | 302.2 | 288.4 | 288.6 | 302.0 | 315.5^r | 280.8 |
| 2 Financial business | 20.1 | 22.3 | 25.0 | 27.8 | 27.1 | 28.4 | 27.7 | 29.6 | 29.8 | 30.8 |
| 3 Nonfinancial business | 125.1 | 130.2 | 142.9 | 152.7 | 157.7 | 144.9 | 145.3 | 151.9 | 162.3 | 144.3 |
| 4 Consumer | 78.0 | 82.6 | 91.0 | 97.4 | 99.2 | 97.6 | 97.9 | 101.8 | 102.4 ^r | 86.7 |
| 5 Foreign | 2.4 | 2.7 | 2.5 | 2.7 | 3.1 | 3.1 | 3.1 | 3.2 | 3.3 | 3.4 |
| 6 Other | 11.3 | 12.4 | 12.9 | 14.1 | 15.1 | 14.4 | 14.4 | 15.5 | 17.2 ^r | 15.6 |
| Weekly reporting banks | | | | | | | | | | |
| | 1975 Dec | 1976 Dec | 1977 Dec | 1978 Dec | 1979 ⁴ | 1980 | | | | 1981 |
| | | | | | Dec | Mar | June | Sept | Dec | Mar |
| 7 All holders—Individuals, partnerships, and corporations | 124.4 | 128.5 | 139.1 | 147.0 | 139.3 | 133.6 | 133.9 | 140.6 | 147.4 | 133.2 |
| 8 Financial business | 15.6 | 17.5 | 18.5 | 19.8 | 20.1 | 20.1 | 20.2 | 21.2 | 21.8 ^r | 21.9 |
| 9 Nonfinancial business | 69.9 | 69.7 | 76.3 | 79.0 | 74.1 | 69.1 | 69.2 | 72.4 | 78.3 ^r | 69.8 |
| 10 Consumer | 29.9 | 31.7 | 34.6 | 38.2 | 34.3 | 34.2 | 33.9 | 36.0 | 35.6 ^r | 30.6 |
| 11 Foreign | 2.3 | 2.6 | 2.4 | 2.5 | 3.0 | 3.0 | 3.1 | 3.1 | 3.1 | 3.2 |
| 12 Other | 6.6 | 7.1 | 7.4 | 7.5 | 7.8 | 7.2 | 7.5 | 7.9 | 8.6 ^r | 7.7 |

For notes see bottom of page A22

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

| Instrument | 1977 Dec | 1978 Dec | 1979 ¹ Dec | 1980 Dec | 1980 | | | 1981 | | | |
|--|---------------|---------------|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | Oct | Nov | Dec | Jan | Feb | Mar | Apr |
| Commercial paper (seasonally adjusted) | | | | | | | | | | | |
| 1 All issuers | 65,051 | 83,438 | 112,809 | 125,148 | 123,009 | 124,606 | 125,148 | 128,656 | 130,306 | 132,702 | 134,229 |
| Financial companies ² | | | | | | | | | | | |
| Dealer-placed paper ³ | | | | | | | | | | | |
| 2 Total | 8,796 | 12,181 | 17,377 | 19,631 | 19,062 | 19,591 | 19,631 | 19,886 | 20,859 | 22,643 | 24,206 |
| 3 Bank-related | 2,132 | 3,521 | 2,874 | 3,561 | 3,442 | 3,436 | 3,561 | 3,670 | 3,742 | 4,163 | 4,437 |
| Directly placed paper ⁴ | | | | | | | | | | | |
| 4 Total | 40,574 | 51,647 | 64,748 | 67,888 | 66,612 | 67,340 | 67,888 | 68,956 | 68,936 | 69,461 | 69,537 |
| 5 Bank-related | 7,102 | 12,314 | 17,598 | 22,382 | 21,146 | 21,939 | 22,382 | 22,570 | 22,331 | 21,604 | 22,858 |
| 6 Nonfinancial companies ⁵ | 15,681 | 19,610 | 30,684 | 37,629 | 37,335 | 37,675 | 37,629 | 39,814 | 40,511 | 40,598 | 40,486 |
| Bankers dollar acceptances (not seasonally adjusted) | | | | | | | | | | | |
| 7 Total | 25,450 | 33,700 | 45,321 | 54,744 | 56,610 | 55,226 | 54,744 | 54,465 | 58,084 | 60,089 | 62,320 |
| Holder | | | | | | | | | | | |
| 8 Accepting banks | 10,434 | 8,579 | 9,865 | 10,564 | 11,317 | 10,236 | 10,564 | 9,371 | 9,911 | 10,117 | 10,781 |
| 9 Own bills | 8,915 | 7,653 | 8,327 | 8,963 | 9,808 | 8,837 | 8,963 | 7,951 | 8,770 | 8,735 | 9,626 |
| 10 Bills bought | 1,519 | 927 | 1,538 | 1,601 | 1,509 | 1,399 | 1,601 | 1,420 | 1,141 | 1,382 | 1,155 |
| Federal Reserve Banks | | | | | | | | | | | |
| 11 Own account | 954 | 1 | 704 | 776 | 566 | 523 | 776 | 0 | 0 | 298 | 0 |
| 12 Foreign correspondents | 362 | 664 | 1,382 | 1,791 | 1,915 | 1,852 | 1,791 | 1,771 | 1,399 | 1,372 | 1,383 |
| 13 Others | 13,700 | 24,456 | 33,370 | 41,614 | 42,813 | 42,616 | 41,614 | 43,323 | 46,779 | 48,303 | 50,156 |
| Basis | | | | | | | | | | | |
| 14 Imports into United States | 6,378 | 8,574 | 10,270 | 11,776 | 12,254 | 11,774 | 11,776 | 11,903 | 12,976 | 13,292 | 13,634 |
| 15 Exports from United States | 5,863 | 7,586 | 9,640 | 12,712 | 13,445 | 13,670 | 12,712 | 12,816 | 12,979 | 13,451 | 13,368 |
| 16 All other | 13,209 | 17,540 | 25,411 | 30,257 | 30,911 | 29,782 | 30,257 | 29,746 | 32,129 | 33,347 | 35,319 |

1 A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial company paper in October 1979

2 Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking, sales, personal, and mortgage financing, factoring, finance leasing, and other business lending, insurance underwriting, and other investment activities

3 Includes all financial company paper sold by dealers in the open market

4 As reported by financial companies that place their paper directly with investors

5 Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services

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

| Effective date | Rate | Effective Date | Rate | Month | Average rate | Month | Average rate |
|----------------|-------|----------------|-------|-----------|--------------|-----------|--------------|
| 1980—Dec 10 | 20 00 | 1981—Mar 10 | 18 00 | 1980—Jan. | 15 25 | 1980—Oct | 13.79 |
| 16 | 21 00 | 17 | 17.50 | Feb. | 15.63 | Nov. | 16 06 |
| 19 | 21 50 | Apr 2 | 17.00 | Mar. | 18.31 | Dec. | 20.35 |
| | | 24 | 17.50 | Apr. | 19.77 | | |
| 1981—Jan 2 | 20 50 | 30 | 18 00 | May. | 16.57 | 1981—Jan. | 20.16 |
| 9 | 20 00 | May 4 | 19 00 | June | 12 63 | Feb. | 19.43 |
| Feb 3 | 19 50 | 11 | 19 50 | July | 11.48 | Mar. | 18 05 |
| 23 | 19 00 | 19 | 20 00 | Aug | 11.12 | Apr. | 17.15 |
| | | 22 | 20 50 | Sept | 12 23 | May | 19 61 |

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 2-7, 1981

| Item | All sizes | Size of loan (in thousands of dollars) | | | | | |
|---|-------------|--|-------------|-------------|-------------|-------------|----------------|
| | | 1-24 | 25-49 | 50-99 | 100-499 | 500-999 | 1,000 and over |
| SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS | | | | | | | |
| 1 Amount of loans (thousands of dollars) | 16,985,777 | 817,631 | 521,319 | 918,372 | 2,501,018 | 751,196 | 11,476,241 |
| 2 Number of loans | 158,959 | 111,775 | 15,982 | 14,711 | 13,165 | 1,192 | 2,135 |
| 3 Weighted-average maturity (months) | 3.9 | 3.3 | 3.7 | 4.2 | 3.6 | 3.8 | 1.1 |
| 4 Weighted-average interest rate (percent per annum) | 19.91 | 19.59 | 19.53 | 19.77 | 20.18 | 20.87 | 19.83 |
| 5 Interquartile range ¹ | 19.12-21.25 | 17.23-21.94 | 18.00-21.84 | 18.77-22.13 | 19.28-22.51 | 20.00-21.94 | 19.18-20.32 |
| <i>Percentage of amount of loans</i> | | | | | | | |
| 6 With floating rate | 38.7 | 31.0 | 29.4 | 42.9 | 55.6 | 77.6 | 33.1 |
| 7 Made under commitment | 43.0 | 23.9 | 22.1 | 37.6 | 39.7 | 65.8 | 44.9 |
| 8 With no stated maturity | 18.1 | 10.2 | 11.7 | 24.6 | 18.0 | 36.9 | 17.2 |
| LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS | | | | | | | |
| 9 Amount of loans (thousands of dollars) | 2,106,841 | 238,914 | | 297,407 | | 161,491 | 1,409,030 |
| 10 Number of loans | 19,309 | 17,320 | | 1,355 | | 245 | 389 |
| 11 Weighted-average maturity (months) | 47.8 | 33.4 | | 61.8 | | 40.1 | 48.2 |
| 12 Weighted-average interest rate (percent per annum) | 19.26 | 19.06 | | 19.31 | | 20.48 | 19.14 |
| 13 Interquartile range ¹ | 17.92-21.00 | 17.00-21.00 | | 16.25-21.00 | | 20.00-21.86 | 18.28-20.75 |
| <i>Percentage of amount of loans</i> | | | | | | | |
| 14 With floating rate | 73.8 | 39.4 | | 88.1 | | 85.0 | 75.4 |
| 15 Made under commitment | 76.9 | 33.5 | | 49.7 | | 77.7 | 89.9 |
| CONSTRUCTION AND LAND DEVELOPMENT LOANS | | | | | | | |
| 16 Amount of loans (thousands of dollars) | 584,021 | 55,418 | 124,270 | 68,475 | 133,859 | 201,999 | |
| 17 Number of loans | 12,681 | 7,442 | 3,324 | 1,107 | 648 | 160 | |
| 18 Weighted-average maturity (months) | 10.4 | 6.3 | 9.9 | 6.7 | 11.4 | 12.4 | |
| 19 Weighted-average interest rate (percent per annum) | 19.40 | 18.76 | 17.40 | 17.92 | 20.20 | 20.77 | |
| 20 Interquartile range ¹ | 16.00-22.19 | 16.64-21.50 | 13.65-22.04 | 13.28-21.94 | 20.00-22.50 | 20.50-22.19 | |
| <i>Percentage of amount of loans</i> | | | | | | | |
| 21 With floating rate | 63.9 | 36.0 | 31.2 | 42.1 | 70.5 | 94.8 | |
| 22 Secured by real estate | 89.1 | 91.9 | 87.9 | 94.3 | 79.7 | 93.6 | |
| 23 Made under commitment | 74.5 | 57.7 | 84.4 | 77.0 | 73.8 | 72.7 | |
| 24 With no stated maturity | 10.7 | 28.6 | 3.8 | 6.2 | 14.0 | 9.5 | |
| <i>Type of construction</i> | | | | | | | |
| 25 1- to 4-family | 40.3 | 77.4 | 54.2 | 63.7 | 25.4 | 23.4 | |
| 26 Multifamily | 15.1 | 4.7 | 2.1 | 9.3 | 15.0 | 27.9 | |
| 27 Nonresidential | 44.7 | 18.0 | 43.7 | 27.0 | 59.6 | 48.7 | |
| LOANS TO FARMERS | | | | | | | |
| 28 Amount of loans (thousands of dollars) | 1,083,356 | 147,558 | 166,464 | 200,977 | 153,148 | 204,451 | 210,756 |
| 29 Number of loans | 60,769 | 39,249 | 11,339 | 5,871 | 2,456 | 1,457 | 398 |
| 30 Weighted-average maturity (months) | 6.2 | 6.4 | 6.2 | 5.9 | 6.8 | 4.8 | 7.5 |
| 31 Weighted-average interest rate (percent per annum) | 17.92 | 17.36 | 17.71 | 17.52 | 17.85 | 17.92 | 18.94 |
| 32 Interquartile range ¹ | 16.21-19.25 | 16.10-18.27 | 16.21-18.81 | 16.10-18.50 | 16.46-19.25 | 16.61-18.81 | 15.69-20.84 |
| <i>By purpose of loan</i> | | | | | | | |
| 33 Feeder livestock | 17.79 | 17.54 | 17.87 | 18.14 | 17.37 | 16.81 | 18.55 |
| 34 Other livestock | 17.45 | 16.34 | 18.06 | 17.20 | 17.85 | (2) | (2) |
| 35 Other current operating expenses | 17.91 | 17.42 | 17.72 | 17.36 | 17.53 | 18.01 | 18.95 |
| 36 Farm machinery and equipment | 17.37 | 17.52 | 17.16 | 17.58 | 17.66 | (2) | (2) |
| 37 Other | 18.31 | 17.63 | 17.85 | 17.22 | 18.84 | 18.06 | 20.52 |

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

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

1.35 INTEREST RATES Money and Capital Markets

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

| Instrument | 1978 | 1979 | 1980 | 1981 | | | | 1981, week ending | | | | |
|--|-------|--------|--------|--------|--------|--------|--------|-------------------|--------|--------|--------|--------|
| | | | | Feb | Mar | Apr | May | May 1 | May 8 | May 15 | May 22 | May 29 |
| MONEY MARKET RATES | | | | | | | | | | | | |
| 1 Federal funds ^{1,2} | 7.93 | 11.19 | 13.36 | 15.93 | 14.70 | 15.72 | 18.52 | 16.28 | 18.91 | 18.21 | 18.89 | 18.71 |
| Commercial paper ^{1,4} | | | | | | | | | | | | |
| 2 1-month | 7.76 | 10.86 | 12.76 | 15.81 | 14.15 | 14.79 | 17.91 | 15.70 | 18.08 | 18.40 | 18.07 | 17.13 |
| 3 3-month | 7.94 | 10.97 | 12.66 | 15.49 | 13.94 | 14.56 | 17.56 | 15.39 | 17.70 | 18.10 | 17.75 | 16.77 |
| 4 6-month | 7.99 | 10.91 | 12.29 | 14.87 | 13.59 | 14.17 | 16.66 | 14.94 | 16.96 | 17.21 | 16.70 | 15.79 |
| Finance paper, directly placed ^{3,4} | | | | | | | | | | | | |
| 5 1-month | 7.73 | 10.78 | 12.44 | 15.52 | 13.78 | 14.24 | 17.47 | 15.06 | 17.53 | 18.03 | 17.72 | 16.78 |
| 6 3-month | 7.80 | 10.47 | 11.49 | 14.45 | 13.08 | 13.28 | 15.56 | 13.89 | 15.40 | 15.87 | 15.82 | 15.42 |
| 7 6-month | 7.78 | 10.25 | 11.28 | 14.05 | 12.89 | 12.94 | 14.97 | 13.63 | 14.73 | 15.25 | 15.22 | 14.90 |
| Bankers acceptances ^{4,5} | | | | | | | | | | | | |
| 8 3-month | 8.11 | 11.04 | 12.78 | 15.54 | 13.88 | 14.65 | 17.56 | 15.49 | 17.78 | 18.12 | 17.83 | 16.68 |
| 9 6-month | n.a. | n.a. | n.a. | 14.89 | 13.49 | 14.19 | 16.26 | 14.93 | 16.60 | 16.80 | 16.27 | 15.41 |
| Certificates of deposit, secondary market ⁶ | | | | | | | | | | | | |
| 10 1-month | 7.88 | 11.03 | 12.91 | 16.11 | 14.33 | 14.92 | 18.16 | 15.73 | 18.31 | 18.65 | 18.38 | 17.44 |
| 11 3-month | 8.22 | 11.22 | 13.07 | 16.14 | 14.43 | 15.08 | 18.27 | 15.95 | 18.36 | 18.80 | 18.51 | 17.57 |
| 12 6-month | 8.61 | 11.44 | 12.99 | 16.00 | 14.48 | 15.12 | 17.66 | 16.03 | 18.05 | 18.29 | 17.58 | 16.70 |
| 13 Eurodollar deposits, 3-month ² | 8.78 | 11.96 | 14.00 | 17.18 | 15.36 | 15.95 | 19.06 | 16.38 | 18.39 | 19.56 | 19.08 | 19.16 |
| U.S. Treasury bills ⁴ | | | | | | | | | | | | |
| Secondary market ⁷ | | | | | | | | | | | | |
| 14 3-month | 7.19 | 10.07 | 11.43 | 14.79 | 13.36 | 13.69 | 16.30 | 14.52 | 16.44 | 16.75 | 16.61 | 15.61 |
| 15 6-month | 7.58 | 10.06 | 11.37 | 14.05 | 12.81 | 13.45 | 15.29 | 14.09 | 15.50 | 15.68 | 15.52 | 14.55 |
| 16 1-year | 7.74 | 9.75 | 10.89 | 12.99 | 12.28 | 12.79 | 14.29 | 13.41 | 14.44 | 14.68 | 14.42 | 13.67 |
| Auction average ⁸ | | | | | | | | | | | | |
| 17 3-month | 7.221 | 10.041 | 11.506 | 14.905 | 13.478 | 13.635 | 16.295 | 14.190 | 15.963 | 16.433 | 16.034 | 16.750 |
| 18 6-month | 7.572 | 10.017 | 11.374 | 14.134 | 12.983 | 13.434 | 15.334 | 14.042 | 15.104 | 15.531 | 15.025 | 15.675 |
| 19 1-year | 7.678 | 9.817 | 10.748 | 12.801 | 11.481 | 12.991 | 14.623 | | | | 14.623 | |
| CAPITAL MARKET RATES | | | | | | | | | | | | |
| U.S. Treasury notes and bonds ⁹ | | | | | | | | | | | | |
| Constant maturities ¹⁰ | | | | | | | | | | | | |
| 20 1-year | 8.34 | 10.67 | 12.05 | 14.57 | 13.71 | 14.32 | 16.20 | 15.11 | 16.36 | 16.63 | 16.44 | 15.44 |
| 21 2-year | 8.34 | 10.12 | 11.77 | 13.92 | 13.57 | 14.15 | 15.46 | 14.72 | 15.70 | 15.79 | 15.50 | 14.86 |
| 22 2-1/2-year ¹¹ | | | | | | | | | 15.55 | | 15.25 | |
| 23 3-year | 8.29 | 9.71 | 11.55 | 13.65 | 13.51 | 14.09 | 15.08 | 14.57 | 15.35 | 15.36 | 15.05 | 14.55 |
| 24 5-year | 8.32 | 9.52 | 11.48 | 13.41 | 13.41 | 13.99 | 14.63 | 14.36 | 14.94 | 14.88 | 14.54 | 14.09 |
| 25 7-year | 8.36 | 9.48 | 11.43 | 13.28 | 13.24 | 13.85 | 14.30 | 14.17 | 14.64 | 14.52 | 14.14 | 13.81 |
| 26 10-year | 8.41 | 9.44 | 11.46 | 13.19 | 13.12 | 13.68 | 14.10 | 14.01 | 14.46 | 14.32 | 13.92 | 13.61 |
| 27 20-year | 8.48 | 9.33 | 11.39 | 12.98 | 12.94 | 13.46 | 13.82 | 13.75 | 14.15 | 14.01 | 13.64 | 13.39 |
| 28 30-year | 8.49 | 9.29 | 11.30 | 12.80 | 12.69 | 13.20 | 13.60 | 13.50 | 13.93 | 13.81 | 13.42 | 13.16 |
| Composite ¹² | | | | | | | | | | | | |
| 29 Over 10 years (long-term) | 7.89 | 8.74 | 10.81 | 12.23 | 12.15 | 12.62 | 12.96 | 12.89 | 13.28 | 13.13 | 12.80 | 12.56 |
| State and local notes and bonds | | | | | | | | | | | | |
| Moody's series ¹³ | | | | | | | | | | | | |
| 30 Aaa | 5.52 | 5.92 | 7.85 | 9.46 | 9.50 | 9.78 | 9.90 | 10.00 | 10.00 | 9.80 | 9.70 | 10.00 |
| 31 Baa | 6.27 | 6.73 | 9.01 | 10.15 | 10.40 | 10.85 | 11.28 | 11.40 | 11.40 | 11.20 | 11.20 | 11.20 |
| 32 Bond Buyer series ¹⁴ | 6.03 | 6.52 | 8.59 | 10.10 | 10.16 | 10.62 | 10.78 | 10.94 | 10.90 | 10.83 | 10.73 | 10.64 |
| Corporate bonds | | | | | | | | | | | | |
| Seasoned issues ¹⁵ | | | | | | | | | | | | |
| 33 All industries | 9.07 | 10.12 | 12.75 | 14.22 | 14.26 | 14.66 | 15.15 | 14.99 | 15.23 | 15.23 | 15.12 | 14.99 |
| 34 Aaa | 8.73 | 9.63 | 11.94 | 13.35 | 13.33 | 13.88 | 14.32 | 14.26 | 14.50 | 14.53 | 14.18 | 14.00 |
| 35 Aa | 8.92 | 9.94 | 12.50 | 13.89 | 13.90 | 14.39 | 14.88 | 14.79 | 15.03 | 14.89 | 14.82 | 14.73 |
| 36 A | 9.12 | 10.20 | 12.89 | 14.27 | 14.47 | 14.82 | 15.43 | 15.08 | 15.43 | 15.54 | 15.46 | 15.31 |
| 37 Baa | 9.45 | 10.69 | 13.67 | 15.37 | 15.34 | 15.56 | 15.95 | 15.80 | 15.94 | 15.96 | 16.01 | 15.90 |
| Aaa utility bonds ¹⁶ | | | | | | | | | | | | |
| 38 New issue | 8.96 | 10.03 | 12.74 | 14.90 | 14.71 | 15.68 | 15.81 | 16.12 | 15.94 | 15.80 | 15.54 | |
| 39 Recently offered issues | 8.97 | 10.02 | 12.70 | 14.58 | 14.41 | 15.48 | 15.48 | 16.26 | 15.62 | 15.63 | 15.29 | 14.97 |
| MEMO Dividend/price ratio ¹⁷ | | | | | | | | | | | | |
| 40 Preferred stocks | 8.25 | 9.07 | 10.57 | 11.83 | 11.81 | 11.80 | 12.03 | 12.22 | 12.22 | 12.44 | 12.27 | 12.25 |
| 41 Common stocks | 5.28 | 5.46 | 5.25 | 5.00 | 4.88 | 4.84 | 4.98 | 5.02 | 5.02 | 5.01 | 4.97 | 4.92 |

1 Weekly and monthly figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates.

2 Weekly figures are statement week averages—that is, averages for the week ending Wednesday.

3 Unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper). Before November 1979, maturities for data shown are 30-59 days, 90-119 days, and 120-179 days for commercial paper, and 30-59 days, 90-119 days, and 150-179 days for finance paper.

4 Yields are quoted on a bank-discount basis, rather than an investment yield basis (which would give a higher figure).

5 Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers).

6 Unweighted average of offered rates quoted by at least five dealers early in the day.

7 Unweighted average of closing bid rates quoted by at least five dealers.

8 Rates are recorded in the week in which bills are issued.

9 Yields (not compounded) are based on closing bid prices quoted by at least five dealers.

10 Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities.

11 Each weekly figure is calculated on a biweekly basis and is the average of five business days ending on the Monday following the calendar week. The biweekly rate is used to determine the maximum interest rate payable in the following two-week period on small saver certificates. (See table 1.16.)

12 Unweighted averages for all outstanding notes and bonds neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.

13 General obligations only, based on figures for Thursday, from Moody's Investors Service.

14 General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.

15 Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

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

17 Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

A26 Domestic Financial Statistics □ June 1981

1.36 STOCK MARKET Selected Statistics

| Indicator | 1978 | 1979 | 1980 | 1980 | | 1981 | | | | |
|---|--------------|--------------|-------------|-------------|--------------|-------------|--------|--------|--------|-----------|
| | | | | Nov | Dec | Jan | Feb | Mar | Apr. | May |
| Prices and trading (averages of daily figures) | | | | | | | | | | |
| <i>Common stock prices</i> | | | | | | | | | | |
| 1 New York Stock Exchange (Dec 31, 1965 = 50) | 53.76 | 55.67 | 68.06 | 78.15 | 76.69 | 76.24 | 73.52 | 76.46 | 77.60 | 76.28 |
| 2 Industrial | 58.30 | 61.82 | 78.64 | 92.32 | 90.37 | 89.23 | 85.74 | 89.39 | 90.57 | 88.78 |
| 3 Transportation | 43.25 | 45.20 | 60.52 | 77.22 | 75.74 | 74.43 | 72.76 | 77.09 | 80.63 | 76.78 |
| 4 Utility | 39.23 | 36.46 | 37.35 | 38.35 | 37.84 | 38.53 | 37.59 | 37.78 | 38.34 | 38.27 |
| 5 Finance | 56.74 | 58.65 | 64.28 | 67.21 | 67.46 | 70.04 | 68.48 | 72.82 | 74.59 | 74.65 |
| 6 Standard & Poor's Corporation (1941-43 = 10) ¹ | 96.11 | 107.94 | 118.71 | 135.65 | 133.48 | 132.97 | 128.40 | 133.19 | 134.43 | 131.73 |
| 7 American Stock Exchange (Aug 31, 1973 = 100) | 144.56 | 186.56 | 300.94 | 349.97 | 347.56 | 344.21 | 338.28 | 347.07 | 363.09 | 365.52 |
| <i>Volume of trading (thousands of shares)</i> | | | | | | | | | | |
| 8 New York Stock Exchange | 28,591 | 32,233 | 44,867 | 54,895 | 46,620 | 45,500 | 42,963 | 53,387 | 54,124 | 45,272 |
| 9 American Stock Exchange | 3,622 | 4,182 | 6,377 | 7,852 | 6,410 | 6,024 | 4,816 | 5,682 | 6,339 | 5,650 |
| Customer financing (end-of-period balances, in millions of dollars) | | | | | | | | | | |
| 10 Regulated margin credit at brokers/dealers ² | 11,035 | 11,619 | 14,721 | 14,363 | 14,721 | 14,242 | 14,171 | 14,243 | 14,869 | ↑ n.a. |
| 11 Margin stock ³ | 10,830 | 11,450 | 14,500 | 14,140 | 14,500 | 14,020 | 13,950 | 14,020 | 14,630 | ↑ |
| 12 Convertible bonds | 205 | 167 | 219 | 220 | 219 | 221 | 220 | 222 | 238 | ↓ |
| 13 Subscription issues | 1 | 2 | 2 | 3 | 2 | 1 | 1 | 1 | 1 | ↓ |
| <i>Free credit balances at brokers⁴</i> | | | | | | | | | | |
| 14 Margin-account | 835 | 1,105 | 2,105 | 2,120 | 2,105 | 2,065 | 2,225 | 2,340 | 2,270 | ↑ |
| 15 Cash-account | 2,510 | 4,060 | 6,070 | 5,590 | 6,070 | 5,655 | 5,700 | 6,530 | 6,530 | ↓ |
| Margin-account debt at brokers (percentage distribution, end of period) | | | | | | | | | | |
| 16 Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | ↑ n.a. |
| <i>By equity class (in percent)⁵</i> | | | | | | | | | | |
| 17 Under 40 | 33.0 | 16.0 | 14.0 | 13.0 | 14.0 | 20.0 | 20.0 | 16.0 | 20.8 | ↑ |
| 18 40-49 | 28.0 | 29.0 | 30.0 | 18.0 | 30.0 | 30.0 | 31.0 | 28.0 | 26.8 | ↑ |
| 19 50-59 | 18.0 | 27.0 | 25.0 | 31.0 | 25.0 | 22.0 | 21.0 | 26.0 | 23.7 | ↑ |
| 20 60-69 | 10.0 | 14.0 | 14.0 | 18.0 | 14.0 | 13.0 | 13.0 | 14.0 | 12.6 | ↑ |
| 21 70-79 | 6.0 | 8.0 | 9.0 | 11.0 | 9.0 | 8.0 | 8.0 | 9.0 | 8.1 | ↑ |
| 22 80 or more | 5.0 | 7.0 | 8.0 | 9.0 | 8.0 | 7.0 | 7.0 | 8.0 | 8.0 | ↓ |
| Special miscellaneous-account balances at brokers (end of period) | | | | | | | | | | |
| 23 Total balances (millions of dollars) ⁶ | 13,092 | 16,150 | 21,690 | 21,600 | 21,690 | 21,686 | 21,861 | 22,548 | 22,748 | ↑ n.a. |
| <i>Distribution by equity status (percent)</i> | | | | | | | | | | |
| 24 Net credit status | 41.3 | 44.2 | 47.8 | 46.5 | 47.8 | 47.0 | 48.6 | 50.9 | 49.3 | ↑ |
| 25 Debt status, equity of | | | | | | | | | | ↓ |
| 26 60 percent or more | 45.1 | 47.0 | 44.4 | 46.8 | 44.4 | 43.9 | 43.1 | 41.5 | 41.7 | ↓ |
| 26 Less than 60 percent | 13.6 | 8.8 | 7.7 | 6.7 | 7.7 | 9.1 | 8.3 | 7.6 | 9.0 | ↓ |
| Margin requirements (percent of market value and effective date) ⁷ | | | | | | | | | | |
| | Mar 11, 1968 | June 8, 1968 | May 6, 1970 | Dec 6, 1971 | Nov 24, 1972 | Jan 3, 1974 | | | | |
| 27 Margin stocks | 70 | 80 | 65 | 55 | 65 | 50 | | | | |
| 28 Convertible bonds | 50 | 60 | 50 | 50 | 50 | 50 | | | | |
| 29 Short sales | 70 | 80 | 65 | 55 | 65 | 50 | | | | |

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

2. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended is end-of-month data for member firms of the New York Stock Exchange.

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

3. A distribution of this total by equity class is shown on lines 17-22.

4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

5. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral value.

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

7. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

| Type of account or operation | Fiscal year 1978 | Fiscal year 1979 | Fiscal year 1980 | Calendar year | | | | | |
|--|------------------|------------------|------------------|---------------|---------|---------|---------|---------|--------|
| | | | | 1979 | 1980 | | 1981 | | |
| | | | | H2 | H1 | H2 | Feb | Mar | Apr |
| <i>U.S. budget</i> | | | | | | | | | |
| 1 Receipts ¹ | 401,997 | 465,940 | 520,050 | 233,952 | 270,864 | 262,152 | 38,394 | 44,623 | 74,464 |
| 2 Outlays ^{1,2} | 450,804 | 493,635 | 579,613 | 263,004 | 289,905 | 310,972 | 53,969 | 54,217 | 57,198 |
| 3 Surplus, or deficit (-) | -48,807 | -27,694 | -59,563 | -29,052 | -19,041 | -48,821 | -15,575 | -9,593 | 17,266 |
| 4 Trust funds | 12,693 | 18,335 | 8,791 | 9,679 | 4,383 | -2,551 | 1,243 | -601 | 1,896 |
| 5 Federal funds ³ | -61,532 | -46,069 | -67,752 | -38,773 | -23,418 | -46,306 | -16,819 | -8,992 | 15,370 |
| <i>Off-budget entities (surplus, or deficit (-))</i> | | | | | | | | | |
| 6 Federal Financing Bank outlays | -10,661 | -13,261 | -14,549 | -5,909 | -7,735 | -7,552 | -1,340 | -3,420 | -2,088 |
| 7 Other ⁴ | 302 | 793 | 303 | 765 | -522 | 376 | -148 | -35 | -73 |
| <i>U.S. budget plus off-budget, including Federal Financing Bank</i> | | | | | | | | | |
| 8 Surplus, or deficit (-) Source or financing | -59,166 | -40,162 | -73,808 | -34,197 | -27,298 | -55,998 | -17,063 | -13,048 | 15,251 |
| 9 Borrowing from the public | 59,106 | 33,641 | 70,515 | 31,320 | 24,435 | 54,764 | 13,916 | 15,138 | -3,725 |
| 10 Cash and monetary assets (decrease, or increase (-)) ⁵ | -3,023 | -408 | -355 | 3,059 | -3,482 | -6,730 | 3,909 | -5,852 | -5,122 |
| 11 Other ⁶ | 3,083 | 6,929 | 3,648 | -182 | 6,345 | 7,964 | 762 | 3,762 | 6,404 |
| <i>MLMO.</i> | | | | | | | | | |
| 12 Treasury operating balance (level, end of period) | 22,444 | 24,176 | 20,990 | 15,924 | 14,092 | 12,305 | 10,106 | 10,717 | 21,150 |
| 13 Federal Reserve Banks | 16,647 | 6,489 | 4,102 | 4,075 | 3,199 | 3,062 | 2,284 | 3,032 | 4,460 |
| 14 Tax and loan accounts | 5,797 | 17,687 | 16,888 | 11,849 | 10,893 | 9,243 | 7,822 | 7,685 | 16,690 |

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

2 Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was reclassified from an off-budget agency to an on-budget agency in the Department of Labor.

3 Half-year figures are calculated as a residual (total surplus/deficit less trust fund surplus/deficit).

4 Includes Postal Service Fund, Rural Electrification and Telephone Revolving Fund, and Rural Telephone Bank.

5 Includes U.S. Treasury operating cash accounts, special drawing rights; gold tranche drawing rights, loans to International Monetary Fund, and other cash and monetary assets.

6 Includes accrued interest payable to the public, allocations of special drawing rights, deposit funds, miscellaneous liability (including checks outstanding) and asset accounts; seignorage; increment on gold; net gain/loss for U.S. currency valuation adjustment, net gain/loss for IMF valuation adjustment, and profit on the sale of gold.

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1981*.

NOTES TO TABLE 1.37

1 Holdings of stock of the Federal Home Loan Banks are included in "other assets."

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

3 Excludes figures for loans in process, which are shown as a liability.

4 The NAMSFB reports that, effective April 1979, balance sheet data are not strictly comparable with previous months. Beginning April 1979, data are reported on a net-of-valuation-reserves basis. Prior to that date, data were reported on a gross-of-valuation-reserves basis.

5 Beginning April 1979, includes obligations of U.S. government agencies. Before that date, this item was included in "Corporate and other."

6 Includes securities of foreign governments and international organizations and, prior to April 1979, nonguaranteed issues of U.S. government agencies.

7 Excludes checking, club, and school accounts.

8 Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Association of the state of New York.

9 Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.

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

NOTE 11. *Savings and loan associations.* Estimates by the FHLBB for all associations in the United States. Data are based on monthly reports of federally insured associations and annual reports of other associations. Even when revised, data for current and preceding year are subject to further revision.

Mutual savings banks: Estimates of National Association of Mutual Savings Banks for all savings banks in the United States.

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

Credit unions. Estimates by the National Credit Union Administration for a group of federal and state-chartered credit unions that account for about 30 percent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

| Source or type | Fiscal year 1978 | Fiscal year 1979 | Fiscal year 1980 | Calendar year | | | | | |
|--|------------------|------------------|------------------|----------------|----------------|----------------|---------------|---------------|---------------|
| | | | | 1979 | 1980 | | 1981 | | |
| | | | | 112 | H1 | 112 | Feb | Mar | Apr. |
| RECEIPTS | | | | | | | | | |
| 1 All sources¹ | 401,997 | 465,955 | 520,050 | 233,952 | 270,864 | 262,152 | 38,394 | 44,623 | 74,464 |
| 2 Individual income taxes, net | 180,988 | 217,841 | 244,069 | 115,488 | 119,988 | 131,962 | 15,348 | 13,693 | 38,659 |
| 3 Withheld | 165,215 | 195,295 | 223,763 | 105,764 | 110,394 | 120,924 | 19,076 | 22,337 | 20,532 |
| 4 Presidential Election Campaign Fund | 39 | 36 | 39 | 3 | 34 | 4 | 4 | 11 | 7 |
| 5 Nonwithheld | 47,804 | 56,215 | 63,746 | 12,355 | 49,707 | 14,592 | 1,134 | 3,754 | 30,674 |
| 6 Refunds ² | 32,070 | 33,705 | 43,479 | 2,634 | 40,147 | 3,559 | 4,867 | 12,410 | 12,644 |
| Corporation income taxes | | | | | | | | | |
| 7 Gross receipts | 65,380 | 71,448 | 72,380 | 29,169 | 43,434 | 28,579 | 1,816 | 10,203 | 10,899 |
| 8 Refunds | 5,428 | 5,771 | 7,780 | 3,306 | 4,064 | 4,518 | 1,252 | 1,617 | 1,528 |
| 9 Social insurance taxes and contributions, net | 123,410 | 141,591 | 160,747 | 71,031 | 86,597 | 77,262 | 17,211 | 15,784 | 20,201 |
| 10 Payroll employment taxes and contributions ² | 99,626 | 115,041 | 133,042 | 60,562 | 69,077 | 66,831 | 14,562 | 14,579 | 13,843 |
| 11 Self-employment taxes and contributions ³ | 4,267 | 5,034 | 5,723 | 417 | 5,535 | 188 | 495 | 419 | 3,945 |
| 12 Unemployment insurance | 13,850 | 15,387 | 15,336 | 6,899 | 8,690 | 6,742 | 1,563 | 174 | 1,802 |
| 13 Other net receipts ⁴ | 5,668 | 6,130 | 6,646 | 3,149 | 3,294 | 3,502 | 591 | 613 | 612 |
| 14 Excise taxes | 18,376 | 18,745 | 24,329 | 9,675 | 11,383 | 15,332 | 3,273 | 4,210 | 3,754 |
| 15 Customs deposits | 6,573 | 7,439 | 7,174 | 3,741 | 3,443 | 3,717 | 558 | 661 | 655 |
| 16 Estate and gift taxes | 5,285 | 5,411 | 6,389 | 2,900 | 3,091 | 3,499 | 489 | 572 | 485 |
| 17 Miscellaneous receipts ⁵ | 7,413 | 9,252 | 12,741 | 5,254 | 6,993 | 6,318 | 951 | 1,117 | 1,338 |
| OUTLAYS | | | | | | | | | |
| 18 All types^{1,6} | 450,804 | 493,635 | 579,613 | 263,004 | 289,905 | 310,972 | 53,969 | 54,217 | 57,198 |
| 19 National defense | 105,186 | 117,681 | 135,856 | 62,012 | 69,132 | 72,457 | 12,841 | 13,560 | 13,274 |
| 20 International affairs | 5,922 | 6,091 | 10,733 | 4,617 | 4,602 | 5,430 | 1,005 | 808 | 1,681 |
| 21 General science, space, and technology | 4,742 | 5,041 | 5,722 | 3,299 | 3,150 | 3,205 | 531 | 692 | 505 |
| 22 Energy | 5,861 | 6,856 | 6,313 | 3,281 | 3,126 | 3,997 | 826 | 475 | 924 |
| 23 Natural resources and environment | 10,925 | 12,091 | 13,812 | 7,350 | 6,668 | 7,722 | 1,016 | 1,093 | 1,093 |
| 24 Agriculture | 7,731 | 6,238 | 4,762 | 1,709 | 3,193 | 1,892 | 352 | -54 | -304 |
| 25 Commerce and housing credit | 3,324 | 2,565 | 7,782 | 3,002 | 3,878 | 3,163 | -204 | 377 | 321 |
| 26 Transportation | 15,445 | 17,459 | 21,120 | 10,298 | 9,582 | 11,547 | 1,468 | 1,605 | 1,685 |
| 27 Community and regional development | 11,039 | 9,482 | 10,068 | 4,855 | 5,302 | 5,370 | 620 | 782 | 844 |
| 28 Education, training, employment, social services | 26,463 | 29,685 | 30,767 | 14,579 | 16,686 | 15,221 | 2,862 | 2,666 | 2,564 |
| 29 Health | 43,676 | 49,614 | 58,165 | 26,492 | 29,299 | 31,263 | 5,414 | 5,757 | 6,259 |
| 30 Income security ^{1,6} | 146,180 | 160,159 | 193,100 | 85,967 | 94,605 | 107,912 | 18,795 | 19,242 | 18,768 |
| 31 Veterans benefits and services | 18,974 | 19,928 | 21,183 | 10,113 | 9,758 | 11,731 | 1,955 | 1,028 | 2,168 |
| 32 Administration of justice | 3,802 | 4,153 | 4,570 | 2,174 | 2,291 | 2,299 | 389 | 377 | 465 |
| 33 General government | 3,737 | 4,153 | 4,505 | 2,103 | 2,422 | 2,432 | 425 | 749 | 310 |
| 34 General-purpose fiscal assistance | 9,601 | 8,372 | 8,584 | 4,286 | 3,940 | 4,191 | 113 | 98 | 1,166 |
| 35 Interest ⁷ | 43,966 | 52,556 | 64,504 | 29,045 | 32,658 | 35,909 | 6,400 | 5,835 | 6,423 |
| 36 Undistributed offsetting receipts ^{7,8} | -15,772 | -18,489 | -21,933 | -12,164 | -10,387 | -14,769 | -838 | -875 | -949 |

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

2 Old-age, disability, and hospital insurance, and railroad retirement accounts.

3 Old-age, disability, and hospital insurance.

4 Supplementary medical insurance premiums, federal employee retirement contributions, and Civil Service retirement and disability fund.

5 Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

6 Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was re-

classified from an off-budget agency to an on-budget agency in the Department of Labor.

7 Effective September 1976, "Interest" and "Undistributed offsetting receipts" reflect the accounting conversion from an accrual basis to a cash basis for the interest on special issues for U.S. government accounts.

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

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1981*.

A30 Domestic Financial Statistics □ June 1981

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

| Item | 1979 | | | | 1980 | | | | 1981 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Mar 31 | June 30 | Sept. 30 | Dec 31 | Mar 31 | June 30 | Sept 30 | Dec. 31 | Mar 31 |
| 1 Federal debt outstanding | 804.6 | 812.2 | 833.8 | 852.2 | 870.4 | 884.4 | 914.3 | 936.7 | 970.9 |
| 2 Public debt securities | 796.8 | 804.9 | 826.5 | 845.1 | 863.5 | 877.6 | 907.7 | 930.2 | 964.5 |
| 3 Held by public | 630.5 | 626.4 | 638.8 | 658.0 | 677.1 | 682.7 | 710.0 | 737.7 | 773.7 |
| 4 Held by agencies | 166.3 | 178.5 | 187.7 | 187.1 | 186.3 | 194.9 | 197.7 | 192.5 | 190.9 |
| 5 Agency securities | 7.8 | 7.3 | 7.2 | 7.1 | 7.0 | 6.8 | 6.6 | 6.5 | 6.4 |
| 6 Held by public | 6.3 | 5.9 | 5.8 | 5.6 | 5.5 | 5.3 | 5.1 | 5.0 | 4.9 |
| 7 Held by agencies | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| 8 Debt subject to statutory limit | 797.9 | 806.0 | 827.6 | 846.2 | 864.5 | 878.7 | 908.7 | 931.2 | 965.5 |
| 9 Public debt securities | 796.2 | 804.3 | 825.9 | 844.5 | 862.8 | 877.0 | 907.1 | 929.6 | 963.9 |
| 10 Other debt ¹ | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.6 | 1.6 | 1.6 |
| 11 MEMO Statutory debt limit | 798.0 | 830.0 | 830.0 | 879.0 | 879.0 | 925.0 | 925.0 | 935.1 | 985.0 |

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

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

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

Billions of dollars, end of period

| Type and holder | 1977 | 1978 | 1979 | 1980 | 1981 | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | Jan | Feb. | Mar | Apr. | May |
| 1 Total gross public debt | 718.9 | 789.2 | 845.1 | 930.2 | 934.1 | 950.5 | 964.5 | 964.0 | 968.5 |
| <i>By type</i> | | | | | | | | | |
| 2 Interest-bearing debt | 715.2 | 782.4 | 844.0 | 928.9 | 929.8 | 946.5 | 963.2 | 962.8 | 964.8 |
| 3 Marketable | 459.9 | 487.5 | 530.7 | 623.2 | 628.5 | 642.9 | 661.1 | 657.9 | 656.2 |
| 4 Bills | 161.1 | 161.7 | 172.6 | 216.1 | 220.4 | 229.0 | 235.3 | 225.8 | 224.5 |
| 5 Notes | 251.8 | 265.8 | 283.4 | 321.6 | 321.2 | 324.5 | 336.5 | 341.1 | 338.4 |
| 6 Bonds | 47.0 | 60.0 | 74.7 | 85.4 | 86.9 | 89.4 | 89.3 | 91.0 | 93.3 |
| 7 Nonmarketable ¹ | 255.3 | 294.8 | 313.2 | 305.7 | 301.3 | 303.5 | 302.1 | 304.9 | 308.6 |
| 8 Convertible bonds ² | 2.2 | 2.2 | 2.2 | | | | | | |
| 9 State and local government series | 13.9 | 24.3 | 24.6 | 23.8 | 23.7 | 23.6 | 23.5 | 23.4 | 23.2 |
| 10 Foreign issues ³ | 22.2 | 29.6 | 28.8 | 24.0 | 23.8 | 24.0 | 24.2 | 24.4 | 24.8 |
| 11 Government | 21.0 | 28.0 | 23.6 | 17.6 | 17.4 | 17.5 | 17.7 | 18.0 | 18.4 |
| 12 Public | 1.2 | 1.6 | 5.3 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 |
| 13 Savings bonds and notes | 77.0 | 80.9 | 79.9 | 72.5 | 71.4 | 70.7 | 70.3 | 69.8 | 69.5 |
| 14 Government action series ⁴ | 139.8 | 157.5 | 177.5 | 185.1 | 182.2 | 185.0 | 183.8 | 187.0 | |
| 15 Non-interest-bearing debt | 3.7 | 6.8 | 1.2 | 1.3 | 4.2 | 4.0 | 1.3 | 1.2 | 3.7 |
| <i>By holder⁵</i> | | | | | | | | | |
| 16 U.S. government agencies and trust funds | 154.8 | 170.0 | 187.1 | 192.5 | 189.5 | 192.0 | 190.9 | | |
| 17 Federal Reserve Banks | 102.8 | 109.6 | 117.5 | 121.3 | 116.7 | 118.4 | 119.0 | | |
| 18 Private investors | 461.3 | 508.6 | 540.5 | 616.4 | 627.4 | 639.6 | 654.6 | | |
| 19 Commercial banks | 101.4 | 93.1 | 91.5 | 104.7 | 108.1 | 107.4 | 108.5 | | |
| 20 Mutual savings banks | 5.9 | 5.0 | 4.7 | 5.8 | 5.8 | 5.8 | 6.0 | | |
| 21 Insurance companies | 15.1 | 14.9 | 14.8 | 15.2 | 15.3 | 15.0 | 14.8 | | |
| 22 Other companies | 22.7 | 21.2 | 24.9 | 24.6 | 22.8 | 22.4 | 21.5 | n.a. | n.a. |
| 23 State and local governments | 55.2 | 64.4 | 67.4 | 74.7 | 73.0 | 76.0 | 77.8 | | |
| <i>Individuals</i> | | | | | | | | | |
| 24 Savings bonds | 76.7 | 80.7 | 79.9 | 72.2 | 71.4 | 70.7 | 70.4 | | |
| 25 Other securities | 28.6 | 30.3 | 36.2 | 56.7 | 62.8 | 65.5 | 68.2 | | |
| 26 Foreign and international ⁶ | 109.6 | 137.8 | 123.8 | 134.3 | 133.9 | 136.7 | 142.7 | | |
| 27 Other miscellaneous investors ⁷ | 46.1 | 58.2 | 97.4 | 127.9 | 134.3 | 140.0 | 144.7 | | |

¹ Includes (not shown separately) Securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds

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

³ Nonmarketable dollar-denominated and foreign currency-denominated series held by foreigners

⁴ Held almost entirely by U.S. government agencies and trust funds.

⁵ Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings, data for other groups are Treasury estimates

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

⁷ Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain government deposit accounts, and government sponsored agencies

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

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

1.42 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars, end of period

| Type of holder | 1979 | 1980 | 1981 | | 1979 | 1980 | 1981 | |
|---|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | Feb. | Mar. | | | Feb. | Mar. |
| | | | All maturities | | | | 1 to 5 years | |
| 1 All holders | 530,731 | 623,186 | 642,905 | 661,142 | 164,198 | 197,409 | 196,029 | 203,927 |
| 2 U.S. government agencies and trust funds | 11,047 | 9,564 | 9,293 | 9,304 | 2,555 | 1,990 | 1,360 | 1,363 |
| 3 Federal Reserve Banks | 117,458 | 121,328 | 118,435 | 119,039 | 8,469 | 35,835 | 34,492 | 35,323 |
| 4 Private investors | 402,226 | 492,294 | 515,178 | 532,800 | 133,173 | 159,585 | 160,177 | 167,241 |
| 5 Commercial banks | 69,076 | 77,868 | 79,931 | 80,710 | 38,346 | 44,482 | 42,253 | 41,573 |
| 6 Mutual savings banks | 3,204 | 3,917 | 3,930 | 4,098 | 1,668 | 1,925 | 1,853 | 1,950 |
| 7 Insurance companies | 11,496 | 11,930 | 11,838 | 11,698 | 4,518 | 4,504 | 4,148 | 4,171 |
| 8 Nonfinancial corporations | 8,433 | 7,758 | 7,600 | 7,203 | 2,844 | 2,203 | 1,841 | 1,734 |
| 9 Savings and loan associations | 3,209 | 4,225 | 4,103 | 4,163 | 1,763 | 2,289 | 2,496 | 2,524 |
| 10 State and local governments | 15,735 | 21,058 | 21,646 | 22,317 | 3,487 | 4,595 | 4,711 | 4,818 |
| 11 All others | 291,072 | 365,539 | 386,130 | 402,610 | 80,546 | 99,577 | 102,875 | 110,470 |
| | Total, within 1 year | | | | 5 to 10 years | | | |
| 12 All holders | 255,252 | 297,385 | 311,965 | 318,907 | 50,440 | 56,037 | 58,556 | 61,995 |
| 13 U.S. government agencies and trust funds | 1,629 | 830 | 1,188 | 1,189 | 871 | 1,404 | 1,404 | 1,411 |
| 14 Federal Reserve Banks | 63,219 | 56,858 | 54,785 | 54,525 | 12,977 | 13,458 | 13,770 | 13,797 |
| 15 Private investors | 190,403 | 239,697 | 255,992 | 263,193 | 36,592 | 41,175 | 43,382 | 46,786 |
| 16 Commercial banks | 20,171 | 25,197 | 28,949 | 30,106 | 8,086 | 5,793 | 6,054 | 6,424 |
| 17 Mutual savings banks | 836 | 1,246 | 1,289 | 1,317 | 459 | 455 | 481 | 511 |
| 18 Insurance companies | 2,016 | 1,940 | 2,250 | 2,152 | 2,815 | 3,037 | 3,000 | 3,146 |
| 19 Nonfinancial corporations | 4,933 | 4,281 | 4,337 | 3,774 | 308 | 357 | 393 | 461 |
| 20 Savings and loan associations | 1,301 | 1,646 | 1,453 | 1,465 | 69 | 216 | 88 | 111 |
| 21 State and local governments | 5,607 | 7,750 | 7,974 | 8,183 | 1,540 | 2,030 | 2,092 | 2,243 |
| 22 All others | 155,539 | 197,636 | 209,740 | 216,196 | 23,314 | 29,287 | 31,275 | 33,891 |
| | Bills, within 1 year | | | | 10 to 20 years | | | |
| 23 All holders | 172,644 | 216,104 | 228,972 | 235,315 | 27,588 | 36,854 | 38,278 | 38,238 |
| 24 U.S. government agencies and trust funds | 0 | 1 | 1 | 1 | 4,520 | 3,686 | 3,686 | 3,685 |
| 25 Federal Reserve Banks | 45,337 | 43,971 | 42,781 | 42,632 | 3,272 | 5,919 | 5,903 | 5,891 |
| 26 Private investors | 127,306 | 172,132 | 186,190 | 192,681 | 19,796 | 27,250 | 28,690 | 28,662 |
| 27 Commercial banks | 5,938 | 9,856 | 12,803 | 12,464 | 993 | 1,071 | 1,174 | 1,166 |
| 28 Mutual savings banks | 262 | 394 | 410 | 425 | 127 | 181 | 184 | 186 |
| 29 Insurance companies | 473 | 672 | 854 | 812 | 1,305 | 1,718 | 1,664 | 1,519 |
| 30 Nonfinancial corporations | 2,793 | 2,363 | 2,212 | 1,879 | 218 | 431 | 436 | 417 |
| 31 Savings and loan associations | 219 | 818 | 510 | 512 | 58 | 52 | 44 | 39 |
| 32 State and local governments | 3,100 | 5,413 | 5,154 | 5,701 | 1,762 | 3,597 | 3,822 | 3,923 |
| 33 All others | 114,522 | 152,616 | 164,246 | 170,888 | 15,332 | 20,200 | 21,365 | 21,413 |
| | Other, within 1 year | | | | Over 20 years | | | |
| 34 All holders | 82,608 | 81,281 | 82,993 | 83,592 | 33,254 | 35,500 | 38,076 | 38,076 |
| 35 U.S. government agencies and trust funds | 1,629 | 829 | 1,187 | 1,188 | 1,472 | 1,656 | 1,656 | 1,656 |
| 36 Federal Reserve Banks | 17,882 | 12,888 | 12,004 | 11,892 | 9,520 | 9,258 | 9,484* | 9,503 |
| 37 Private investors | 63,097 | 67,565 | 69,802 | 70,512 | 22,262 | 24,587 | 26,936 | 26,918 |
| 38 Commercial banks | 14,233 | 15,341 | 16,146 | 17,641 | 1,470 | 1,325 | 1,501 | 1,441 |
| 39 Mutual savings banks | 574 | 852 | 879 | 892 | 113 | 110 | 123 | 135 |
| 40 Insurance companies | 1,543 | 1,268 | 1,396 | 1,340 | 842 | 730 | 776 | 710 |
| 41 Nonfinancial corporations | 2,140 | 1,918 | 2,124 | 1,895 | 130 | 476 | 593 | 816 |
| 42 Savings and loan associations | 1,081 | 828 | 943 | 953 | 19 | 21 | 22 | 25 |
| 43 State and local governments | 2,508 | 2,337 | 2,820 | 2,481 | 3,339 | 3,086 | 3,047 | 3,150 |
| 44 All others | 41,017 | 45,020 | 45,493 | 45,308 | 16,340 | 18,838 | 20,875 | 20,640 |

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

Data complete for U.S. government agencies and trust funds and Federal Reserve Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of Mar. 31, 1981. (1) 5,343 commercial banks,

458 mutual savings banks, and 723 insurance companies, each about 80 percent, (2) 411 nonfinancial corporations and 476 savings and loan associations, each about 50 percent, and (3) 488 state and local governments, about 40 percent.

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

† January data revised to 9 111

A32 Domestic Financial Statistics □ June 1981

1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

| Item | 1978 | 1979 | 1980 | 1981 | | | 1981, week ending Wednesday | | | | | | |
|---|--------|--------|------|--------|--------|--------|-----------------------------|--------|--------|--------|--------|--------|--|
| | | | | Feb P | Mar P | Apr P | Apr 22 | Apr 29 | May 6 | May 13 | May 20 | May 27 | |
| Immediate delivery ¹ | | | | | | | | | | | | | |
| 1 U.S. government securities | 10,285 | 13,183 | ↑ | 23,487 | 23,848 | 21,360 | 20,421 | 20,436 | 20,499 | 21,306 | 20,848 | 21,449 | |
| By maturity | | | | | | | | | | | | | |
| 2 Bills | 6,173 | 7,915 | | 14,589 | 14,114 | 13,134 | 13,357 | 12,324 | 11,994 | 11,431 | 11,679 | 12,745 | |
| 3 Other within 1 year | 392 | 454 | | 444 | 388 | 374 | 363 | 526 | 402 | 510 | 593 | 355 | |
| 4 1-5 years | 1,889 | 2,417 | | 3,904 | 4,182 | 3,390 | 2,793 | 4,012 | 3,822 | 3,550 | 3,867 | 4,586 | |
| 5 5-10 years | 965 | 1,121 | | 2,036 | 2,758 | 2,135 | 1,796 | 1,498 | 2,004 | 1,916 | 1,658 | 1,619 | |
| 6 Over 10 years | 867 | 1,276 | n a | 2,514 | 2,408 | 2,328 | 2,112 | 2,076 | 2,278 | 3,900 | 3,052 | 2,144 | |
| By type of customer | | | | | | | | | | | | | |
| 7 U.S. government securities dealers | 1,135 | 1,448 | | 1,520 | 1,390 | 1,070 | 1,030 | 1,096 | 1,105 | 1,061 | 1,006 | 1,216 | |
| 8 U.S. government securities brokers | 3,838 | 5,170 | | 10,987 | 11,681 | 10,565 | 10,130 | 9,358 | 10,282 | 9,885 | 10,075 | 9,771 | |
| 9 All others ² | 5,312 | 6,564 | | 10,979 | 10,776 | 9,725 | 9,260 | 9,981 | 9,113 | 10,360 | 9,767 | 10,462 | |
| 10 Federal agency securities | 1,894 | 2,723 | | 3,201 | 3,311 | 2,864 | 2,783 | 3,054 | 2,548 | 1,599 | 3,368 | 2,837 | |
| 11 Certificates of deposit | n.a. | n.a. | | 4,281 | 3,717 | 3,518 | 3,335 | 2,921 | 3,375 | 2,168 | 2,823 | 3,079 | |
| 12 Bankers acceptances | | | | 1,880 | 1,751 | 1,627 | 1,546 | 1,560 | 1,452 | 1,169 | 1,104 | 1,547 | |
| 13 Commercial paper | | | | 5,553 | 5,073 | 5,302 | 5,694 | 5,033 | 6,268 | 5,582 | 6,193 | 5,877 | |
| 14 Futures and forward positions ^{3,4} | ↓ | ↓ | ↓ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | |

1. Before 1981, data for immediate transactions include forward transactions.
 2. Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.
 3. Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date.

4. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.
 NOTES: Averages for transactions are based on number of trading days in the period.
 Transactions are market purchases and sales of U.S. government securities dealers reporting to the Federal Reserve Bank of New York. The figures exclude allotments of, and exchanges for, new U.S. government securities, redemptions of called or matured securities, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

1.44 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing

Averages of daily figures, in millions of dollars

| Item | 1978 | 1979 | 1980 | 1981 | | | 1981, week ending Wednesday | | | | | |
|--|-------|-------|------|--------|--------|--------|-----------------------------|--------|--------|--------|--------|--------|
| | | | | Feb P | Mar P | Apr P | Apr 1 | Apr 8 | Apr 15 | Apr 22 | Apr 29 | May 6 |
| Positions | | | | | | | | | | | | |
| Net immediate ¹ | | | | | | | | | | | | |
| 1 U.S. government securities | 2,656 | 3,223 | ↑ | 14,891 | 17,059 | 11,570 | 17,809 | 16,350 | 12,043 | 10,653 | 7,329 | 4,651 |
| 2 Bills | 2,452 | 3,813 | | 13,105 | 13,608 | 8,471 | 13,179 | 12,238 | 9,276 | 8,267 | 4,361 | 1,944 |
| 3 Other within 1 year | 260 | -325 | | -322 | -279 | 142 | -121 | 80 | 71 | 218 | 232 | 182 |
| 4 1-5 years | -92 | -455 | | -369 | 817 | 399 | 1,918 | 1,114 | 195 | -266 | 332 | 428 |
| 5 5-10 years | 40 | 160 | | 246 | 650 | 530 | 315 | 757 | 564 | 465 | 405 | 246 |
| 6 Over 10 years | -4 | 30 | n.a. | 2,231 | 2,263 | 2,027 | 2,518 | 2,161 | 1,937 | 1,969 | 1,998 | 1,850 |
| 7 Federal agency securities | 606 | 1,471 | | 1,364 | 1,429 | 1,710 | 1,695 | 1,846 | 1,826 | 1,599 | 1,569 | 1,716 |
| 8 Certificate of deposit | 2,775 | 2,794 | | 2,151 | 2,728 | 2,117 | 3,132 | 2,316 | 1,889 | 2,168 | 1,924 | 2,310 |
| 9 Bankers acceptances | n.a. | n.a. | | 1,363 | 1,594 | 1,705 | 1,995 | 1,901 | 1,591 | 1,675 | 1,614 | 1,686 |
| 10 Commercial paper | n.a. | n.a. | | 2,374 | 2,590 | 2,721 | 2,866 | 2,794 | 2,564 | 2,896 | 2,639 | 2,503 |
| 14 Futures and forward positions | n.a. | n.a. | ↓ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Financing ² | | | | | | | | | | | | |
| Reverse repurchase agreements ³ | | | | | | | | | | | | |
| 11 Overnight and continuing | ↑ | ↑ | ↑ | 8,080 | 8,505 | 9,658 | 8,710 | 9,121 | 8,972 | 10,135 | 10,393 | 10,693 |
| 12 Term agreements | | | | 24,917 | 24,552 | 26,033 | 24,504 | 24,962 | 25,742 | 25,928 | 27,385 | 28,370 |
| Repurchase agreements ⁴ | | | | | | | | | | | | |
| 13 Overnight and continuing | n.a. | n.a. | n.a. | 28,558 | 32,899 | 31,958 | 34,753 | 33,823 | 31,518 | 32,640 | 29,842 | 29,223 |
| 14 Term agreements | ↓ | ↓ | ↓ | 26,256 | 24,102 | 24,792 | 23,583 | 23,953 | 24,343 | 25,136 | 25,798 | 25,556 |

1. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities to resell (reverse RPs). Before 1981, data for immediate positions include forward positions.
 2. Figures cover financing involving U.S. government and federal agency securities, negotiable CDs, bankers acceptances, and commercial paper.

3. Includes all reverse repurchase agreements, including those that have been arranged to make delivery on short sales and those for which the securities obtained have been used as collateral on borrowings, i.e., matched agreements.
 4. Includes both repurchase agreements undertaken to finance positions and "matched book" repurchase agreements.
 NOTE: Data for positions are averages of daily figures, in terms of par value, based on the number of trading days in the period. Positions are shown net and are on a commitment basis. Data for financing are based on Wednesday figures, in terms of actual money borrowed or lent.

1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt outstanding

Millions of dollars, end of period

| Agency | 1976 | 1977 | 1978 | 1980 | | | 1981 | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Oct | Nov. | Dec. | Jan | Feb | Mar |
| 1 Federal and federally sponsored agencies¹ | 103,848 | 112,472 | 137,063 | 188,076 | 188,743 | 193,229 | 195,056 | 194,926 | 198,828 |
| 2 Federal agencies | 22,419 | 22,760 | 23,488 | 27,797 | 27,941 | 28,606 | 28,769 | 28,596 | 29,397 |
| 3 Defense Department ² | 1,113 | 983 | 968 | 636 | 631 | 610 | 600 | 591 | 576 |
| 4 Export-Import Bank ^{3,4} | 8,574 | 8,671 | 8,711 | 10,715 | 10,696 | 11,250 | 11,239 | 11,201 | 11,881 |
| 5 Federal Housing Administration ⁵ | 575 | 581 | 588 | 490 | 486 | 477 | 476 | 468 | 464 |
| 6 Government National Mortgage Association participation certificates ⁶ | 4,120 | 3,743 | 3,141 | 2,842 | 2,842 | 2,817 | 2,817 | 2,817 | 2,817 |
| 7 Postal Service ⁷ | 2,998 | 2,431 | 2,364 | 1,770 | 1,770 | 1,770 | 1,770 | 1,770 | 1,770 |
| 8 Tennessee Valley Authority | 4,935 | 6,015 | 7,460 | 10,835 | 11,010 | 11,190 | 11,375 | 11,550 | 11,680 |
| 9 United States Railway Association ⁷ | 104 | 336 | 356 | 509 | 506 | 492 | 492 | 199 | 209 |
| 10 Federally sponsored agencies ¹ | 81,429 | 89,712 | 113,575 | 160,279 | 160,802 | 164,623 | 166,287 | 166,330 | 169,431 |
| 11 Federal Home Loan Banks | 16,811 | 18,345 | 27,563 | 38,819 | 39,380 | 41,258 | 41,819 | 42,275 | 43,791 |
| 12 Federal Home Loan Mortgage Corporation | 1,690 | 1,686 | 2,262 | 2,537 | 2,537 | 2,536 | 2,518 | 2,514 | 2,409 |
| 13 Federal National Mortgage Association | 30,565 | 31,890 | 41,080 | 53,889 | 53,643 | 55,185 | 54,605 | 54,110 | 54,666 |
| 14 Federal Land Banks | 17,127 | 19,118 | 20,360 | 12,365 | 12,365 | 12,365 | 11,507 | 11,507 | 11,507 |
| 15 Federal Intermediate Credit Banks | 10,494 | 11,174 | 11,469 | 1,821 | 1,821 | 1,821 | 1,388 | 1,388 | 1,388 |
| 16 Banks for Cooperatives | 4,330 | 4,434 | 4,843 | 584 | 584 | 584 | 584 | 584 | 584 |
| 17 Farm Credit Banks ¹ | ... | 2,548 | 5,081 | 47,888 | 48,021 | 48,153 | 50,645 | 50,675 | 51,689 |
| 18 Student Loan Marketing Association ^b | 410 | 515 | 915 | 2,375 | 2,450 | 2,720 | 3,220 | 3,275 | 3,395 |
| 19 Other | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 2 |
| MEMO: | | | | | | | | | |
| 20 Federal Financing Bank debt^{7,9} | 28,711 | 38,580 | 51,298 | 83,903 | 85,440 | 87,460 | 88,420 | 89,444 | 94,101 |
| <i>Lending to federal and federally sponsored agencies</i> | | | | | | | | | |
| 21 Export-Import Bank ⁴ | 5,208 | 5,834 | 6,898 | 10,067 | 10,067 | 10,654 | 10,654 | 10,654 | 11,346 |
| 22 Postal Service ⁷ | 2,748 | 2,181 | 2,114 | 1,520 | 1,520 | 1,520 | 1,520 | 1,520 | 1,520 |
| 23 Student Loan Marketing Association ⁸ | 410 | 515 | 915 | 2,375 | 2,450 | 2,720 | 3,220 | 3,275 | 3,395 |
| 24 Tennessee Valley Authority | 3,110 | 4,190 | 5,635 | 9,110 | 9,285 | 9,465 | 9,650 | 9,825 | 9,955 |
| 25 United States Railway Association ⁷ | 104 | 336 | 356 | 509 | 506 | 492 | 492 | 199 | 209 |
| <i>Other Lending¹⁰</i> | | | | | | | | | |
| 26 Farmers Home Administration | 10,750 | 16,095 | 23,825 | 38,466 | 39,431 | 39,431 | 39,271 | 39,851 | 41,791 |
| 27 Rural Electrification Administration | 1,415 | 2,647 | 4,604 | 8,646 | 8,760 | 9,196 | 9,471 | 10,212 | 10,443 |
| 28 Other | 4,966 | 6,782 | 6,951 | 13,210 | 13,421 | 13,982 | 14,142 | 13,908 | 15,442 |

1. In September 1977 the Farm Credit Banks issued their first consolidated bonds, and in January 1979 they began issuing these bonds on a regular basis to replace the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. Line 17 represents those consolidated bonds outstanding, as well as any discount notes that have been issued. Lines 1 and 10 reflect the addition of this item.

2. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

3. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

4. Off-budget Aug. 17, 1974, through Sept. 30, 1976, on-budget thereafter.

5. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

6. Certificates of participation issued prior to fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare, Department

of Housing and Urban Development; Small Business Administration, and the Veterans Administration.

7. Off-budget.

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

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

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

A34 Domestic Financial Statistics □ June 1981

1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

| Type of issue or issuer, or use | 1978 | 1979 | 1980 | 1980 | | | 1981 | | |
|---|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | Oct | Nov | Dec | Jan | Feb | Mar |
| 1 All issues, new and refunding¹ | 48,607 | 43,490 | 48,462 | 4,496 | 2,928 | 3,859 | 2,672 | 2,876 | 3,790 |
| <i>Type of issue</i> | | | | | | | | | |
| 2 General obligation | 17,854 | 12,109 | 14,100 | 1,056 | 734 | 558 | 725 | 872 | 1,230 |
| 3 Revenue | 30,658 | 31,256 | 34,267 | 3,419 | 2,183 | 3,297 | 1,935 | 2,001 | 2,549 |
| 4 Housing Assistance Administration ² | | | | | | | | | |
| 5 U.S. government loans | 95 | 125 | 95 | 21 | 11 | 4 | 12 | 3 | 11 |
| <i>Type of issuer</i> | | | | | | | | | |
| 6 State | 6,632 | 4,314 | 5,304 | 195 | 323 | 127 | 478 | 530 | 349 |
| 7 Special district and statutory authority | 24,156 | 21,434 | 26,972 | 2,863 | 1,638 | 2,332 | 1,421 | 1,411 | 1,887 |
| 8 Municipalities, counties, townships, school districts | 17,718 | 15,617 | 16,090 | 1,416 | 955 | 1,395 | 761 | 930 | 1,545 |
| 9 Issues for new capital, total | 37,629 | 41,505 | 46,736 | 4,472 | 2,715 | 3,760 | 2,658 | 2,804 | 3,766 |
| <i>Use of proceeds</i> | | | | | | | | | |
| 10 Education | 5,003 | 5,130 | 4,572 | 470 | 211 | 198 | 334 | 294 | 510 |
| 11 Transportation | 3,460 | 2,441 | 2,621 | 282 | 256 | 53 | 147 | 322 | 237 |
| 12 Utilities and conservation | 9,026 | 8,594 | 8,149 | 903 | 369 | 408 | 630 | 447 | 783 |
| 13 Social welfare | 10,494 | 15,968 | 19,958 | 1,403 | 1,076 | 2,465 | 772 | 859 | 954 |
| 14 Industrial aid | 3,526 | 3,836 | 3,974 | 595 | 412 | 295 | 375 | 274 | 442 |
| 15 Other purposes | 6,120 | 5,536 | 7,462 | 819 | 391 | 341 | 400 | 608 | 840 |

1. Par amounts of long-term issues based on date of sale.
 2. Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

SOURCE: Public Securities Association

1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

| Type of issue or issuer, or use | 1978 | 1979 | 1980 | 1980 | | | | 1981 | | |
|---------------------------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
| 1 All issues¹ | 47,230 | 51,533 | 73,688 | 5,025 | 5,819 | 3,936 | 5,933 | 5,581 | 4,157 | 6,667 |
| 2 Bonds | 36,872 | 40,208 | 53,199 | 2,916 | 3,284 | 2,164 | 3,044 | 3,386 | 2,834 | 4,519 |
| <i>Type of offering</i> | | | | | | | | | | |
| 3 Public | 19,815 | 25,814 | 41,587 | 2,421 | 2,756 | 1,405 | 1,719 | 2,928 | 2,408 | 4,022 |
| 4 Private placement | 17,057 | 14,394 | 11,612 | 495 | 528 | 759 | 1,325 | 458 | 426 | 497 |
| <i>Industry group</i> | | | | | | | | | | |
| 5 Manufacturing | 9,572 | 9,678 | 15,409 | 553 | 623 | 132 | 609 | 1,635 | 1,140 | 1,204 |
| 6 Commercial and miscellaneous | 5,246 | 3,948 | 6,688 | 390 | 320 | 442 | 509 | 231 | 356 | 212 |
| 7 Transportation | 2,007 | 3,119 | 3,329 | 409 | 240 | 147 | 165 | 353 | 45 | 172 |
| 8 Public utility | 7,092 | 8,153 | 9,556 | 569 | 769 | 565 | 314 | 800 | 593 | 594 |
| 9 Communication | 3,373 | 4,219 | 6,683 | 517 | 763 | 147 | 653 | 62 | 272 | 958 |
| 10 Real estate and financial | 9,586 | 11,094 | 11,534 | 477 | 569 | 732 | 793 | 306 | 430 | 1,380 |
| 11 Stocks | 10,358 | 11,325 | 20,490 | 2,109 | 2,535 | 1,772 | 2,889 | 2,195 | 1,323 | 2,148 |
| <i>Type</i> | | | | | | | | | | |
| 12 Preferred | 2,832 | 3,574 | 3,632 | 392 | 543 | 256 | 241 | 364 | 149 | 298 |
| 13 Common | 7,526 | 7,751 | 16,858 | 1,717 | 1,992 | 1,516 | 2,648 | 1,831 | 1,174 | 1,850 |
| <i>Industry group</i> | | | | | | | | | | |
| 14 Manufacturing | 1,241 | 1,679 | 4,839 | 502 | 851 | 418 | 844 | 609 | 204 | 735 |
| 15 Commercial and miscellaneous | 1,816 | 2,623 | 5,245 | 569 | 400 | 509 | 908 | 603 | 589 | 816 |
| 16 Transportation | 263 | 255 | 549 | 54 | 117 | 53 | 95 | 124 | 81 | 17 |
| 17 Public utility | 5,140 | 5,171 | 6,230 | 633 | 526 | 227 | 669 | 562 | 260 | 414 |
| 18 Communication | 264 | 303 | 567 | 6 | 67 | 113 | 65 | 14 | 31 | |
| 19 Real estate and financial | 1,631 | 12,931 | 3,059 | 345 | 574 | 452 | 308 | 284 | 159 | 167 |

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

1933, employee stock plans, investment companies other than closed-end, intra-corporate transactions, and sales to foreigners.

SOURCE: Securities and Exchange Commission

1.48 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

| Item | 1979 | 1980 | 1980 | | | | 1981 | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| INVESTMENT COMPANIES ¹ | | | | | | | | | | |
| 1 Sales of own shares ² | 7,495 | 15,266 | 1,405 | 1,523 | 1,289 | 1,242 | 1,676 | 1,347 | 1,696 | 2,000 |
| 2 Redemptions of own shares ³ | 8,393 | 12,012 | 1,228 | 1,362 | 1,086 | 1,720 | 1,193 | 960 | 1,112 | 1,594 |
| 3 Net sales | -898 | 3,254 | 177 | 161 | 203 | -478 | 483 | 387 | 584 | 406 |
| 4 Assets ⁴ | 49,277 | 58,400 | 55,779 | 56,156 | 60,329 | 58,400 | 56,160 | 56,452 | 59,146 | 58,531 |
| 5 Cash position ⁵ | 4,983 | 5,321 | 5,481 | 5,460 | 5,467 | 5,321 | 4,636 | 4,882 | 4,971 | 5,068 |
| 6 Other | 44,294 | 53,079 | 50,298 | 50,696 | 54,862 | 53,079 | 51,524 | 51,570 | 54,175 | 53,463 |

1 Excluding money market funds

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

3 Excludes share redemption resulting from conversions from one fund to another in the same group.

4 Market value at end of period, less current liabilities

5 Also includes all U S government securities and other short-term debt securities

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

1.49 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

| Account | 1978 | 1979 | 1980 | 1979 | | 1980 | | | | 1981 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| 1 Profits before tax | 223.3 | 255.4 | 245.5 | 262.0 | 255.4 | 277.1 | 217.9 | 237.6 | 249.2 | 258.7 |
| 2 Profits tax liability | 83.0 | 87.6 | 82.3 | 86.4 | 87.2 | 94.2 | 71.5 | 78.5 | 85.1 | 90.4 |
| 3 Profits after tax | 140.3 | 167.7 | 163.1 | 173.6 | 168.2 | 182.9 | 146.4 | 159.1 | 164.1 | 168.3 |
| 4 Dividends | 44.6 | 50.2 | 56.0 | 50.2 | 51.6 | 53.9 | 55.7 | 56.7 | 57.7 | 59.6 |
| 5 Undistributed profits | 95.7 | 117.6 | 107.1 | 123.4 | 116.6 | 129.0 | 90.7 | 102.4 | 106.4 | 108.7 |
| 6 Capital consumption allowances | 122.9 | 139.5 | 158.3 | 142.6 | 146.4 | 151.7 | 155.4 | 160.5 | 165.4 | 170.6 |
| 7 Net cash flow | 218.6 | 257.1 | 265.4 | 266.0 | 263.0 | 280.7 | 246.1 | 267.9 | 271.8 | 279.3 |

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

1.50 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

| Account | 1975 | 1976 | 1977 | 1978 | 1979 | | 1980 | | | |
|---|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| 1 Current assets | 759.0 | 826.8 | 902.1 | 1,030.0 | 1,169.5 | 1,200.9 | 1,235.2 | 1,233.8 | 1,255.8 | 1,279.9 |
| 2 Cash | 82.1 | 88.2 | 95.8 | 104.5 | 103.7 | 116.1 | 110.2 | 111.5 | 113.2 | 120.8 |
| 3 U S government securities | 19.0 | 23.4 | 17.6 | 16.3 | 15.8 | 15.6 | 15.1 | 13.8 | 16.3 | 17.0 |
| 4 Notes and accounts receivable | 272.1 | 292.8 | 324.7 | 383.8 | 453.0 | 456.8 | 471.2 | 464.2 | 479.2 | 491.1 |
| 5 Inventories | 315.9 | 342.4 | 374.8 | 426.9 | 489.4 | 501.7 | 519.5 | 525.7 | 525.1 | 525.1 |
| 6 Other | 69.9 | 80.1 | 89.2 | 98.5 | 107.7 | 110.8 | 119.3 | 118.7 | 122.0 | 125.9 |
| 7 Current liabilities | 451.6 | 494.7 | 549.4 | 665.5 | 777.8 | 809.1 | 838.3 | 828.1 | 852.1 | 877.2 |
| 8 Notes and accounts payable | 264.2 | 281.9 | 313.2 | 373.7 | 438.8 | 456.3 | 467.9 | 463.1 | 477.3 | 498.2 |
| 9 Other | 187.4 | 212.8 | 236.2 | 291.7 | 339.0 | 352.8 | 370.4 | 364.9 | 374.8 | 379.0 |
| 10 Net working capital | 307.4 | 332.2 | 352.7 | 364.6 | 391.7 | 391.8 | 397.0 | 405.7 | 403.7 | 402.7 |
| 11 MEMO: Current ratio¹ | 1.681 | 1.672 | 1.642 | 1.548 | 1.504 | 1.484 | 1.474 | 1.490 | 1.474 | 1.459 |

1 Ratio of total current assets to total current liabilities

All data in this table reflect the most current benchmarks. Complete data are available upon request from the Flow of Funds Section, Division of Research and Statistics

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

SOURCE Federal Trade Commission

1.51 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

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

| Industry | 1979 | 1980 | 1981 ¹ | 1980 | | | 1981 | | | |
|---|---------------|---------------|-------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| | | | | Q2 | Q3 | Q4 | Q1 | Q2 ¹ | Q3 ¹ | Q4 ¹ |
| 1 Total nonfarm business | 270.46 | 295.63 | 320.51 | 294.36 | 296.23 | 299.58 | 312.24 | 311.87 | 322.88 | 333.09 |
| <i>Manufacturing</i> | | | | | | | | | | |
| 2 Durable goods industries | 51.07 | 58.91 | 63.99 | 59.38 | 58.19 | 59.77 | 61.24 | 60.28 | 64.90 | 68.65 |
| 3 Nondurable goods industries | 47.61 | 56.90 | 63.89 | 56.32 | 58.21 | 58.86 | 63.27 | 61.71 | 65.56 | 64.80 |
| <i>Nonmanufacturing</i> | | | | | | | | | | |
| 4 Mining | 11.38 | 13.51 | 16.91 | 12.81 | 13.86 | 15.28 | 16.20 | 15.93 | 17.51 | 17.87 |
| 5 Transportation | | | | | | | | | | |
| 6 Railroad | 4.03 | 4.25 | 4.39 | 4.06 | 3.98 | 4.54 | 4.23 | 4.10 | 4.41 | 4.81 |
| 7 Air | 4.01 | 4.01 | 3.65 | 4.27 | 4.06 | 3.77 | 3.85 | 3.17 | 3.09 | 4.55 |
| 8 Other | 4.31 | 3.82 | 4.10 | 3.76 | 4.18 | 3.39 | 3.66 | 4.21 | 4.07 | 4.35 |
| 9 Public utilities | | | | | | | | | | |
| 10 Electric | 27.65 | 28.12 | 28.93 | 27.91 | 28.14 | 27.54 | 27.69 | 28.98 | 30.26 | 28.73 |
| 11 Gas and other | 6.31 | 7.32 | 8.33 | 7.12 | 7.44 | 7.41 | 8.36 | 8.40 | 7.98 | 8.57 |
| 12 Trade and services | 79.26 | 81.79 | 85.22 | 81.07 | 81.19 | 82.91 | 83.43 | 84.55 | 84.12 | 88.33 |
| 13 Communication and other ² | 34.83 | 36.99 | 41.09 | 37.66 | 36.97 | 36.11 | 40.32 | 40.54 | 40.97 | 42.43 |

1. Anticipated by business

2. "Other" consists of construction, social services and membership organizations; and forestry, fisheries, and agricultural services

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

1.52 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

| Account | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | | | | 1981 |
|---|------|------|-------|-------|-------------------|-------|-------|-------|-------|-------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| ASSETS | | | | | | | | | | |
| Accounts receivable, gross | | | | | | | | | | |
| 1 Consumer | 36.0 | 38.6 | 44.0 | 52.6 | 65.7 | 67.7 | 70.2 | 71.7 | 73.6 | 76.1 |
| 2 Business | 39.3 | 44.7 | 55.2 | 63.3 | 70.3 | 70.6 | 70.3 | 66.9 | 72.3 | 72.7 |
| 3 Total | 75.3 | 83.4 | 99.2 | 116.0 | 136.0 | 138.4 | 140.4 | 138.6 | 145.9 | 148.7 |
| 4 Less: Reserves for unearned income and losses | 9.4 | 10.5 | 12.7 | 15.6 | 20.0 | 20.4 | 21.4 | 22.3 | 23.3 | 24.3 |
| 5 Accounts receivable, net | 65.9 | 72.9 | 86.5 | 100.4 | 116.0 | 118.0 | 119.0 | 116.3 | 122.6 | 124.5 |
| 6 Cash and bank deposits | 2.9 | 2.6 | 2.6 | 3.5 | | | | | | |
| 7 Securities | 1.0 | 1.1 | 9 | 1.3 | 24.9 ¹ | 23.7 | 26.1 | 28.3 | 27.5 | 30.8 |
| 8 All other | 11.8 | 12.6 | 14.3 | 17.3 | | | | | | |
| 9 Total assets | 81.6 | 89.2 | 104.3 | 122.4 | 140.9 | 141.7 | 145.1 | 144.7 | 150.1 | 155.3 |
| LIABILITIES | | | | | | | | | | |
| 10 Bank loans | 8.0 | 6.3 | 5.9 | 6.5 | 8.5 | 9.7 | 10.1 | 10.1 | 13.2 | 13.1 |
| 11 Commercial paper | 22.2 | 23.7 | 29.6 | 34.5 | 43.3 | 40.8 | 40.7 | 40.5 | 43.4 | 44.2 |
| Debt | | | | | | | | | | |
| 12 Short-term n.e.c. | 4.5 | 5.4 | 6.2 | 8.1 | 8.2 | 7.1 | 7.9 | 7.7 | 7.5 | 8.2 |
| 13 Long-term n.e.c. | 27.6 | 32.3 | 36.0 | 43.6 | 46.7 | 48.9 | 50.5 | 52.0 | 52.4 | 51.6 |
| 14 Other | 6.8 | 8.1 | 11.5 | 12.6 | 14.2 | 15.7 | 16.0 | 14.6 | 14.3 | 17.3 |
| 15 Capital, surplus, and undivided profits | 12.5 | 13.4 | 15.1 | 17.2 | 19.9 | 19.2 | 19.9 | 19.8 | 19.4 | 20.9 |
| 16 Total liabilities and capital | 81.6 | 89.2 | 104.3 | 122.4 | 140.9 | 141.7 | 145.1 | 144.7 | 150.1 | 155.3 |

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

NOTE: Components may not add to totals due to rounding

1.53 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

| Type | Accounts receivable outstanding Mar 31 1981 ¹ | Changes in accounts receivable | | | Extensions | | | Repayments | | |
|---|--|--------------------------------|-----|-------|------------|--------|--------|------------|--------|--------|
| | | 1981 | | | 1981 | | | 1981 | | |
| | | Jan | Feb | Mar | Jan | Feb | Mar | Jan | Feb | Mar |
| 1 Total | 72,650 | 702 | 280 | - 773 | 16,811 | 18,207 | 18,096 | 16,109 | 17,927 | 18,869 |
| 2 Retail automotive (commercial vehicles) | 11,766 | - 126 | 160 | 295 | 921 | 885 | 749 | 1,047 | 1,045 | 1,044 |
| 3 Wholesale automotive | 11,019 | 310 | 494 | 1,075 | 5,554 | 5,351 | 5,050 | 5,864 | 5,845 | 6,125 |
| 4 Retail paper on business, industrial and farm equipment | 23,657 | 458 | 591 | 556 | 1,564 | 1,800 | 1,788 | 1,106 | 1,209 | 1,232 |
| 5 Loans on commercial accounts receivable and factored commercial accounts receivable | 7,867 | 519 | 262 | 178 | 6,362 | 7,792 | 8,142 | 5,843 | 8,054 | 7,964 |
| 6 All other business credit | 18,341 | 161 | 605 | 137 | 2,410 | 2,379 | 2,367 | 2,249 | 1,774 | 2,504 |

1 Not seasonally adjusted

1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

| Item | 1978 | 1979 | 1980 | 1980 | | | 1981 | | | |
|--|---------|--------|---------------------|--------|--------|--------|--------|--------------------|--------------------|--------|
| | | | | Oct | Nov | Dec. | Jan | Feb. | Mar | Apr. |
| Terms and yields in primary and secondary markets | | | | | | | | | | |
| PRIMARY MARKETS | | | | | | | | | | |
| Conventional mortgages on new homes | | | | | | | | | | |
| <i>Terms¹</i> | | | | | | | | | | |
| 1 Purchase price (thousands of dollars) | 62.6 | 74.4 | 83.5 | 84.0 | 77.1 | 90.1 | 87.0 | 90.3 | 90.9 ^r | 88.5 |
| 2 Amount of loan (thousands of dollars) | 45.9 | 53.3 | 59.3 | 61.3 | 56.1 | 63.0 | 63.0 | 65.6 | 64.5 ^r | 64.1 |
| 3 Loan/price ratio (percent) | 75.3 | 73.9 | 73.3 | 75.0 | 75.2 | 72.9 | 75.6 | 75.6 | 73.9 ^r | 74.7 |
| 4 Maturity (years) | 28.0 | 28.5 | 28.2 | 28.2 | 27.6 | 28.2 | 29.1 | 29.0 | 28.7 | 28.6 |
| 5 Fees and charges (percent of loan amount) ² | 1.39 | 1.66 | 2.10 | 2.16 | 2.15 | 2.40 | 2.40 | 2.59 | 2.64 | 2.61 |
| 6 Contract rate (percent per annum) | 9.30 | 10.48 | 12.25 | 12.20 | 12.62 | 12.80 | 12.80 | 13.02 | 13.48 | 13.62 |
| <i>Yield (percent per annum)</i> | | | | | | | | | | |
| 7 FHLBB series ³ | 9.54 | 10.77 | 12.65 | 12.60 | 13.04 | 13.28 | 13.26 | 13.54 | 14.02 | 14.15 |
| 8 HUD series ⁴ | 9.68 | 11.15 | 13.95 | 14.10 | 14.70 | 15.05 | 14.95 | 15.10 | 15.25 | 15.75 |
| SECONDARY MARKETS | | | | | | | | | | |
| <i>Yield (percent per annum)</i> | | | | | | | | | | |
| 9 FHA mortgages (HUD series) ⁵ | 9.70 | 10.87 | 13.42 | 14.38 | 14.47 | 14.08 | 14.23 | 14.79 | 15.04 | 15.91 |
| 10 GNMA securities ⁶ | 8.98 | 10.22 | 12.55 | 12.91 | 13.55 | 13.62 | 13.50 | 14.13 | 14.22 | 15.31 |
| 11 FNMA auctions ⁷ | | | | | | | | | | |
| 11 Government-underwritten loans | 9.77 | 11.17 | 14.11 | 14.94 | 15.53 | 15.21 | 14.87 | 15.24 | 15.67 | 16.54 |
| 12 Conventional loans | 10.01 | 11.77 | 14.43 | 14.70 | 15.30 | 15.54 | 14.95 | 15.05 | 15.33 | 15.66 |
| Activity in secondary markets | | | | | | | | | | |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION | | | | | | | | | | |
| <i>Mortgage holdings (end of period)</i> | | | | | | | | | | |
| 13 Total | 43,311 | 51,091 | 57,327 | 56,188 | 56,619 | 57,327 | 57,390 | 57,434 | 57,362 | 57,436 |
| 14 FHA-insured | 21,243 | 24,489 | 38,968 ⁸ | 38,040 | 38,381 | 38,969 | 38,955 | 38,972 | 38,878 | 38,919 |
| 15 VA-guaranteed | 10,544 | 10,496 | | 18,148 | 18,238 | 18,358 | 18,435 | 18,462 | 18,484 | 18,517 |
| 16 Conventional | 11,524 | 16,106 | 18,358 | | | | | | | |
| <i>Mortgage transactions (during period)</i> | | | | | | | | | | |
| 17 Purchases | 12,303 | 10,805 | 8,100 | 771 | 579 | 855 | 185 | 161 | 87 | 206 |
| 18 Sales | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Mortgage commitments⁹</i> | | | | | | | | | | |
| 19 Contracted (during period) | 18,959 | 10,179 | 8,044 | 514 | 472 | 403 | 241 | 244 | 320 | 383 |
| 20 Outstanding (end of period) | 9,185 | 6,409 | 3,278 | 4,399 | 3,963 | 3,278 | 3,063 | 2,683 | 2,173 | 2,031 |
| <i>Auction of 4-month commitments to buy Government-underwritten loans</i> | | | | | | | | | | |
| 21 Offered | 12,978 | 8,860 | 8,605 | 427.8 | 252.0 | 242.1 | 210.7 | 155.3 | 145.3 ^r | 139.1 |
| 22 Accepted | 6,747.2 | 3,921 | 4,002 | 257.7 | 135.6 | 110.8 | 93.0 | 104.7 | 104.7 ^r | 114.5 |
| <i>Conventional loans</i> | | | | | | | | | | |
| 23 Offered | 9,933.0 | 4,495 | 3,639 | 107.6 | 81.6 | 84.8 | 32.0 | 108.6 ^r | 149.2 ^r | 126.9 |
| 24 Accepted | 5,111 | 2,344 | 1,749 | 93.9 | 68.8 | 54.1 | 30.3 | 79.1 ^r | 97.6 ^r | 92.0 |
| FEDERAL HOME LOAN MORTGAGE CORPORATION | | | | | | | | | | |
| <i>Mortgage holdings (end of period)¹⁰</i> | | | | | | | | | | |
| 25 Total | 3,064 | 4,035 | 5,067 | 4,727 | 4,843 | 5,067 | 5,039 | 5,107 | 5,161 | 5,176 |
| 26 FHA/VA | 1,243 | 1,102 | 1,033 | 1,044 | 1,038 | 1,033 | 1,029 | 1,025 | 1,021 | 1,017 |
| 27 Conventional | 1,165 | 1,957 | 2,830 | 3,629 | 3,715 | 2,830 | 2,825 | 2,883 | 2,931 | 2,952 |
| <i>Mortgage transactions (during period)</i> | | | | | | | | | | |
| 28 Purchases | 6,525 | 5,717 | 3,722 | 398 | 231 | 285 | 152 | 174 | 148 | 125 |
| 29 Sales | 6,211 | 4,544 | 2,526 | 187 | 94 | 48 | 168 | 94 | 127 | 97 |
| <i>Mortgage commitments¹¹</i> | | | | | | | | | | |
| 30 Contracted (during period) | 7,451 | 5,542 | 3,859 | 222 | 180 | 126 | 203 | 294 | 768 | 886 |
| 31 Outstanding (end of period) | 1,410 | 797 | 447 | 726 | 653 | 447 | 487 | 394 | 699 | 678 |

1 Weighted averages based on sample surveys of mortgages originated by major institutional lender groups. Compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.
 2 Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) in order to obtain a loan.
 3 Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.
 4 Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points; from Department of Housing and Urban Development.
 5 Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.
 6 Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities,

assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.
 7 Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.
 8 Beginning March 1980, FHA-insured and VA-guaranteed mortgage holdings in lines 14 and 15 are combined.
 9 Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.
 10 Includes participation as well as whole loans.
 11 Includes conventional and government-underwritten loans.

1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

| Type of holder, and type of property | 1978 | 1979 | 1980 | 1980 | | | | 1981 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | |
| 1 All holders | 1,169,412 | 1,326,750 | 1,451,840 | 1,357,660 | 1,380,928 | 1,414,881 | 1,451,840 | 1,473,919^r |
| 2 1- to 4-family | 765,217 | 878,931 | 960,422 | 897,608 | 910,286 | 935,393 | 960,422 | 973,601 ^r |
| 3 <i>Multifamily</i> | 121,138 | 128,852 | 136,580 | 130,363 | 132,194 | 134,193 | 136,580 | 139,047 ^r |
| 4 Commercial | 211,851 | 236,451 | 258,338 | 242,776 | 247,444 | 251,651 | 258,338 | 262,140 ^r |
| 5 Farm | 71,206 | 82,516 | 96,500 | 86,913 | 91,004 | 93,644 | 96,500 | 100,115 ^r |
| 6 Major financial institutions | 848,177 | 938,567 | 998,386 | 951,276 | 958,750 | 977,281 | 998,386 | 1,008,265 ^r |
| 7 Commercial banks ¹ | 214,045 | 245,187 | 264,602 | 250,702 | 253,103 | 258,003 | 264,602 | 268,102 ^r |
| 8 1- to 4-family | 129,167 | 149,460 | 160,746 | 152,553 | 153,753 | 156,737 | 160,746 | 162,872 ^r |
| 9 Multifamily | 10,266 | 11,180 | 12,304 | 11,557 | 11,764 | 11,997 | 12,304 | 12,467 |
| 10 Commercial | 66,115 | 75,957 | 82,688 | 77,993 | 79,110 | 80,626 | 82,688 | 83,782 |
| 11 Farm | 8,497 | 8,590 | 8,864 | 8,599 | 8,476 | 8,643 | 8,864 | 8,981 |
| 12 Mutual savings banks | 95,157 | 98,908 | 99,827 | 99,151 | 99,150 | 99,306 | 99,827 | 99,840 |
| 13 1- to 4-family | 62,252 | 64,706 | 65,307 | 64,865 | 64,864 | 64,966 | 65,307 | 65,316 |
| 14 Multifamily | 16,529 | 17,340 | 17,180 | 17,223 | 17,223 | 17,249 | 17,340 | 17,342 |
| 15 Commercial | 16,319 | 16,963 | 17,120 | 17,004 | 17,004 | 17,031 | 17,120 | 17,122 |
| 16 Farm | 57 | 59 | 60 | 59 | 59 | 60 | 60 | 60 |
| 17 Savings and loan associations | 432,808 | 475,688 | 502,812 | 478,952 | 481,042 | 491,895 | 502,812 | 507,040 |
| 18 1- to 4-family | 356,114 | 394,345 | 419,446 | 398,009 | 399,746 | 409,896 | 419,446 | 422,964 |
| 19 Multifamily | 36,053 | 37,579 | 38,113 | 37,215 | 37,329 | 37,728 | 38,113 | 38,443 |
| 20 Commercial | 40,461 | 43,764 | 45,253 | 43,728 | 43,967 | 44,271 | 45,253 | 45,633 |
| 21 Life insurance companies | 106,167 | 118,784 | 131,145 | 122,471 | 125,455 | 128,077 | 131,145 | 133,283 |
| 22 1- to 4-family | 14,436 | 16,193 | 17,911 | 16,850 | 17,796 | 17,996 | 17,911 | 18,203 |
| 23 Multifamily | 19,000 | 19,274 | 19,614 | 19,590 | 19,284 | 19,357 | 19,614 | 19,934 |
| 24 Commercial | 62,232 | 71,137 | 80,776 | 73,618 | 75,693 | 77,995 | 80,776 | 82,093 |
| 25 Farm | 10,499 | 12,180 | 12,844 | 12,413 | 12,682 | 12,729 | 12,844 | 13,053 |
| 26 Federal and related agencies | 81,739 | 97,084 | 114,300 | 103,921 | 108,539 | 110,526 | 114,300 | 116,306 ^r |
| 27 Government National Mortgage Association | 3,509 | 3,852 | 4,642 | 3,919 | 4,466 | 4,389 | 4,642 | 4,966 |
| 28 1- to 4-family | 877 | 763 | 704 | 749 | 736 | 719 | 704 | 730 |
| 29 Multifamily | 2,632 | 3,089 | 3,938 | 3,170 | 3,730 | 3,670 | 3,938 | 4,236 |
| 30 Farmers Home Administration | 926 | 1,274 | 3,492 | 2,845 | 3,375 | 3,525 | 3,492 | 2,837 ^r |
| 31 1- to 4-family | 288 | 417 | 916 | 1,139 | 1,383 | 978 | 916 | 1,321 ^r |
| 32 Multifamily | 320 | 71 | 610 | 408 | 636 | 774 | 610 | 528 ^r |
| 33 Commercial | 101 | 174 | 411 | 409 | 402 | 370 | 411 | 479 ^r |
| 34 Farm | 217 | 612 | 1,555 | 889 | 954 | 1,403 | 1,555 | 509 ^r |
| 35 Federal Housing and Veterans Administration | 5,305 | 5,555 | 5,640 | 5,621 | 5,691 | 5,600 | 5,640 | 5,723 |
| 36 1- to 4-family | 1,673 | 1,955 | 2,051 | 2,022 | 2,085 | 2,051 | 2,051 | 2,098 |
| 37 Multifamily | 3,632 | 3,600 | 3,589 | 3,599 | 3,606 | 3,964 | 3,589 | 3,625 |
| 38 Federal National Mortgage Association | 43,311 | 51,091 | 57,327 | 53,990 | 55,419 | 55,632 | 57,327 | 57,362 |
| 39 1- to 4-family | 37,579 | 45,488 | 51,775 | 48,394 | 49,837 | 50,071 | 51,775 | 51,842 |
| 40 Multifamily | 5,732 | 5,603 | 5,552 | 5,596 | 5,582 | 5,561 | 5,552 | 5,520 |
| 41 Federal Land Banks | 25,624 | 31,277 | 38,131 | 33,311 | 35,574 | 36,837 | 38,131 | 40,258 |
| 42 1- to 4-family | 927 | 1,552 | 2,099 | 1,708 | 1,893 | 1,985 | 2,099 | 2,228 |
| 43 Farm | 24,697 | 29,725 | 36,032 | 31,603 | 33,681 | 34,852 | 36,032 | 38,030 |
| 44 Federal Home Loan Mortgage Corporation | 3,064 | 4,035 | 5,068 | 4,235 | 4,014 | 4,543 | 5,068 | 5,160 |
| 45 1- to 4-family | 2,407 | 3,059 | 3,873 | 3,210 | 3,037 | 3,459 | 3,873 | 3,952 |
| 46 Multifamily | 657 | 976 | 1,195 | 1,025 | 977 | 1,084 | 1,195 | 1,208 |
| 47 Mortgage pools or trusts ² | 88,633 | 119,278 | 142,258 | 124,632 | 129,647 | 136,583 | 142,258 | 147,251 ^r |
| 48 Government National Mortgage Association | 54,347 | 76,401 | 93,874 | 80,843 | 84,282 | 89,452 | 93,874 | 97,184 |
| 49 1- to 4-family | 52,732 | 74,546 | 91,602 | 78,872 | 82,208 | 87,276 | 91,602 | 94,810 |
| 50 Multifamily | 1,615 | 1,855 | 2,272 | 1,971 | 2,074 | 2,176 | 2,272 | 2,374 |
| 51 Federal Home Loan Mortgage Corporation | 11,892 | 15,180 | 16,854 | 15,454 | 16,120 | 16,659 | 16,854 | 17,100 |
| 52 1- to 4-family | 9,657 | 12,149 | 13,471 | 12,359 | 12,886 | 13,318 | 13,471 | 13,680 |
| 53 Multifamily | 2,235 | 3,031 | 3,383 | 3,095 | 3,234 | 3,341 | 3,383 | 3,420 |
| 54 Farmers Home Administration | 22,394 | 27,697 | 31,530 | 28,335 | 29,245 | 30,472 | 31,530 | 32,967 ^r |
| 55 1- to 4-family | 13,400 | 14,884 | 16,683 | 14,926 | 15,224 | 16,226 | 16,683 | 16,640 ^r |
| 56 Multifamily | 1,116 | 2,163 | 2,612 | 2,159 | 2,159 | 2,235 | 2,612 | 2,825 ^r |
| 57 Commercial | 3,560 | 4,328 | 5,271 | 4,495 | 4,763 | 5,059 | 5,271 | 5,382 ^r |
| 58 Farm | 4,318 | 6,322 | 6,964 | 6,755 | 7,099 | 6,952 | 6,964 | 8,120 ^r |
| 59 Individual and others ³ | 150,863 | 171,821 | 196,896 | 177,831 | 183,992 | 190,491 | 196,896 | 203,121 ^r |
| 60 1- to 4-family | 83,708 | 99,414 | 113,838 | 101,952 | 104,838 | 109,780 | 113,838 | 116,945 ^r |
| 61 Multifamily | 21,351 | 23,251 | 26,058 | 23,755 | 24,596 | 25,407 | 26,058 | 27,165 ^r |
| 62 Commercial | 22,883 | 24,128 | 26,819 | 25,529 | 26,505 | 26,299 | 26,819 | 27,649 ^r |
| 63 Farm | 22,921 | 25,028 | 30,181 | 26,595 | 28,053 | 29,005 | 30,181 | 31,362 |

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

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

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

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

A40 Domestic Financial Statistics □ June 1981

1.56 CONSUMER INSTALLMENT CREDIT¹ Total Outstanding, and Net Change

Millions of dollars

| Holder, and type of credit | 1978 | 1979 | 1980 | 1980 | | | 1981 | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Oct | Nov | Dec | Jan. | Feb | Mar | Apr |
| Amounts outstanding (end of period) | | | | | | | | | | |
| 1 Total | 273,645 | 312,024 | 313,435 | 307,222 | 308,051 | 313,435 | 310,554 | 309,188 | 310,766 | 313,419 |
| <i>By major holder</i> | | | | | | | | | | |
| 2 Commercial banks | 136,016 | 154,177 | 145,765 | 145,895 | 145,147 | 145,765 | 143,749 | 142,030 | 141,897 | 142,070 |
| 3 Finance companies | 54,298 | 68,318 | 76,756 | 74,985 | 75,690 | 76,756 | 77,131 | 78,090 | 79,490 | 81,033 |
| 4 Credit unions | 44,334 | 46,517 | 44,041 | 43,518 | 43,606 | 44,041 | 43,601 | 43,776 | 44,212 | 44,390 |
| 5 Retailers ² | 25,987 | 28,119 | 29,410 | 25,703 | 26,469 | 29,410 | 28,300 | 27,329 | 26,965 | 27,227 |
| 6 Savings and loans | 7,097 | 8,424 | 9,911 | 9,611 | 9,687 | 9,911 | 10,023 | 10,173 | 10,458 | 10,792 |
| 7 Gasoline companies | 3,220 | 3,729 | 4,717 | 4,736 | 4,662 | 4,717 | 4,929 | 4,958 | 4,898 | 5,046 |
| 8 Mutual savings banks | 2,693 | 2,740 | 2,835 | 2,774 | 2,790 | 2,835 | 2,821 | 2,832 | 2,846 | 2,861 |
| <i>By major type of credit</i> | | | | | | | | | | |
| 9 Automobile | 101,647 | 116,362 | 116,327 | 116,657 | 116,517 | 116,327 | 115,262 | 115,677 | 117,517 | 118,479 |
| 10 Commercial banks | 60,510 | 67,367 | 61,025 | 62,350 | 61,848 | 61,025 | 59,608 | 59,061 | 59,378 | 59,252 |
| 11 Indirect paper | 33,850 | 38,338 | 34,857 | 35,572 | 35,284 | 34,857 | 33,947 | 33,667 | 34,016 | 33,931 |
| 12 Direct loans | 26,660 | 29,029 | 26,168 | 26,778 | 26,564 | 26,564 | 25,661 | 25,394 | 25,362 | 25,321 |
| 13 Credit unions | 21,200 | 22,244 | 21,060 | 20,810 | 20,852 | 21,060 | 20,850 | 20,933 | 21,142 | 21,227 |
| 14 Finance companies | 19,937 | 26,751 | 34,242 | 33,497 | 33,817 | 34,242 | 34,804 | 35,683 | 36,997 | 38,000 |
| 15 Revolving | 48,309 | 56,937 | 59,862 | 54,598 | 55,304 | 59,862 | 58,985 | 57,566 | 56,831 | 57,322 |
| 16 Commercial banks | 24,341 | 29,862 | 30,001 | 28,331 | 28,360 | 30,001 | 29,952 | 29,412 | 29,051 | 29,127 |
| 17 Retailers | 20,748 | 23,346 | 25,144 | 21,531 | 22,282 | 25,144 | 24,104 | 23,196 | 22,882 | 23,149 |
| 18 Gasoline companies | 3,220 | 3,729 | 4,717 | 4,736 | 4,662 | 4,717 | 4,929 | 4,958 | 4,898 | 5,046 |
| 19 Mobile home | 15,235 | 16,838 | 17,327 | 17,276 | 17,293 | 17,327 | 17,244 | 17,189 | 17,273 | 17,422 |
| 20 Commercial banks | 9,545 | 10,647 | 10,376 | 10,502 | 10,452 | 10,376 | 10,271 | 10,174 | 10,153 | 10,142 |
| 21 Finance companies | 3,152 | 3,390 | 3,745 | 3,657 | 3,702 | 3,745 | 3,741 | 3,740 | 3,762 | 3,828 |
| 22 Savings and loans | 2,067 | 2,307 | 2,737 | 2,654 | 2,675 | 2,737 | 2,768 | 2,809 | 2,888 | 2,980 |
| 23 Credit unions | 471 | 494 | 469 | 463 | 464 | 469 | 464 | 466 | 470 | 472 |
| 24 Other | 108,454 | 121,887 | 119,919 | 118,691 | 118,937 | 119,919 | 119,063 | 118,756 | 119,145 | 120,196 |
| 25 Commercial banks | 41,620 | 46,301 | 44,363 | 44,712 | 44,487 | 44,363 | 43,918 | 43,383 | 43,315 | 43,549 |
| 26 Finance companies | 31,209 | 38,177 | 38,769 | 37,831 | 38,171 | 38,769 | 38,586 | 38,667 | 38,731 | 39,205 |
| 27 Credit unions | 22,663 | 23,779 | 22,512 | 22,245 | 22,290 | 22,512 | 22,287 | 22,377 | 22,600 | 22,691 |
| 28 Retailers | 5,239 | 4,773 | 4,266 | 4,172 | 4,187 | 4,266 | 4,196 | 4,133 | 4,083 | 4,078 |
| 29 Savings and loans | 5,030 | 6,117 | 7,174 | 6,957 | 7,012 | 7,174 | 7,255 | 7,364 | 7,570 | 7,812 |
| 30 Mutual savings banks | 2,693 | 2,740 | 2,835 | 2,774 | 2,790 | 2,835 | 2,821 | 2,832 | 2,846 | 2,861 |
| Net change (during period) ³ | | | | | | | | | | |
| 31 Total | 43,079 | 38,381 | 1,410 | 702 | 839 | 1,619 | 869 | 1,996 | 3,108 | 2,331 |
| <i>By major holder</i> | | | | | | | | | | |
| 32 Commercial banks | 23,641 | 18,161 | -8,412 | -336 | -120 | -276 | -1,357 | -544 | 612 | -345 |
| 33 Finance companies | 9,430 | 14,020 | 8,438 | 454 | 594 | 860 | 1,113 | 1,530 | 1,539 | 1,253 |
| 34 Credit unions | 6,729 | 2,185 | -2,475 | 63 | 218 | 378 | 288 | 444 | 287 | 272 |
| 35 Retailers ² | 2,497 | 2,132 | 1,291 | 134 | 52 | 316 | 409 | 103 | 253 | 531 |
| 36 Savings and loans | 7 | 1,327 | 1,485 | 246 | -14 | 190 | 232 | 254 | 418 | 421 |
| 37 Gasoline companies | 257 | 509 | 988 | 98 | 72 | 83 | 106 | 209 | -6 | 141 |
| 38 Mutual savings banks | 518 | 47 | 95 | 43 | 37 | 68 | 78 | 0 | 5 | 58 |
| <i>By major type of credit</i> | | | | | | | | | | |
| 39 Automobile | 18,736 | 14,715 | -35 | 201 | 245 | 302 | -63 | 979 | 1,682 | 428 |
| 40 Commercial banks | 10,933 | 6,857 | -6,342 | -348 | -138 | -491 | -1,253 | -346 | 229 | -461 |
| 41 Indirect paper | 6,471 | 4,488 | -3,481 | -170 | -44 | -181 | -839 | -229 | 268 | -256 |
| 42 Direct loans | 4,462 | 2,369 | -2,861 | -178 | -94 | -310 | -414 | -117 | -39 | -205 |
| 43 Credit unions | 3,101 | 1,044 | -1,184 | 18 | 101 | 174 | 206 | 211 | 132 | 142 |
| 44 Finance companies | 4,702 | 6,814 | 7,491 | 531 | 282 | 619 | 984 | 1,114 | 1,321 | 747 |
| 45 Revolving | 9,035 | 8,628 | 2,925 | 273 | 265 | 616 | 557 | 441 | 587 | 838 |
| 46 Commercial banks | 5,967 | 5,521 | 139 | -19 | 121 | 211 | 59 | 166 | 346 | 153 |
| 47 Retailers | 2,811 | 2,598 | 1,798 | 194 | 72 | 322 | 392 | 66 | 247 | 544 |
| 48 Gasoline companies | 257 | 509 | 988 | 98 | 72 | 83 | 106 | 209 | -6 | 141 |
| 49 Mobile home | 286 | 1,603 | 488 | 141 | 24 | 66 | -24 | -47 | 88 | 145 |
| 50 Commercial banks | 419 | 1,102 | -271 | -41 | -33 | -34 | -85 | -102 | -35 | -15 |
| 51 Finance companies | 74 | 238 | 355 | 42 | 44 | 48 | 15 | 18 | 25 | 58 |
| 52 Savings and loans | -276 | 240 | 430 | 120 | 11 | 47 | 46 | 31 | 97 | 99 |
| 53 Credit unions | 69 | 23 | -25 | 0 | 2 | 5 | 0 | 6 | 1 | 3 |
| 54 Other | 15,022 | 13,435 | -1,968 | 87 | 305 | 635 | 399 | 623 | 751 | 920 |
| 55 Commercial banks | 6,322 | 4,681 | -1,938 | 52 | -70 | 38 | -78 | -262 | 72 | -22 |
| 56 Finance companies | 4,654 | 6,968 | 592 | -119 | 268 | 193 | 114 | 398 | 193 | 448 |
| 57 Credit unions | 3,559 | 1,118 | -1,266 | 45 | 115 | 199 | 82 | 227 | 154 | 127 |
| 58 Retailers | -314 | -466 | -507 | -60 | -20 | -6 | 17 | 37 | 6 | -13 |
| 59 Savings and loans | 283 | 1,087 | 1,056 | 126 | -25 | 143 | 186 | 223 | 321 | 322 |
| 60 Mutual savings banks | 518 | 47 | 95 | 43 | 37 | 68 | 78 | 0 | 5 | 58 |

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

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

³ Net change equals extensions minus liquidations (repayments, charge-offs, and other credit). figures for all months are seasonally adjusted.

1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted

| Holder, and type of credit | 1978 | 1979 | 1980 | 1980 | | | 1981 | | | |
|--------------------------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | Oct | Nov | Dec | Jan | Feb | Mar | Apr |
| Extensions | | | | | | | | | | |
| 1 Total | 297,668 | 324,777 | 305,897 | 27,365 | 25,991 | 27,149 | 27,059 | 28,706 | 29,822 | 28,878 |
| <i>By major holder</i> | | | | | | | | | | |
| 2 Commercial banks | 142,433 | 154,733 | 133,605 | 11,977 | 11,432 | 11,484 | 10,397 | 11,648 | 12,676 | 11,986 |
| 3 Finance companies | 50,505 | 61,518 | 60,801 | 5,323 | 4,852 | 5,185 | 5,904 | 6,193 | 5,911 | 5,218 |
| 4 Credit unions | 38,111 | 34,926 | 29,594 | 2,872 | 2,795 | 3,035 | 2,994 | 3,167 | 3,153 | 3,181 |
| 5 Retailers ¹ | 44,571 | 47,676 | 50,959 | 4,291 | 4,250 | 4,497 | 4,673 | 4,500 | 4,685 | 5,002 |
| 6 Savings and loans | 3,724 | 5,901 | 6,621 | 695 | 444 | 658 | 715 | 751 | 1,038 | 985 |
| 7 Gasoline companies | 16,017 | 18,005 | 22,402 | 2,009 | 2,024 | 2,061 | 2,130 | 2,284 | 2,180 | 2,272 |
| 8 Mutual savings banks | 2,307 | 2,018 | 1,905 | 198 | 194 | 229 | 246 | 163 | 179 | 234 |
| <i>By major type of credit</i> | | | | | | | | | | |
| 9 Automobile | 87,981 | 93,901 | 83,002 | 7,544 | 7,117 | 7,234 | 7,237 | 8,333 | 8,700 | 7,205 |
| 10 Commercial banks | 52,969 | 53,554 | 40,657 | 3,791 | 3,552 | 3,271 | 2,598 | 3,560 | 4,117 | 3,438 |
| 11 Indirect paper | 29,342 | 29,623 | 22,269 | 2,135 | 1,962 | 1,857 | 1,230 | 1,944 | 2,365 | 1,929 |
| 12 Direct loans | 23,627 | 23,931 | 18,388 | 1,656 | 1,590 | 1,414 | 1,368 | 1,616 | 1,752 | 1,509 |
| 13 Credit unions | 18,539 | 17,397 | 15,294 | 1,457 | 1,402 | 1,538 | 1,592 | 1,613 | 1,586 | 1,589 |
| 14 Finance companies | 16,473 | 22,950 | 27,051 | 2,296 | 2,163 | 2,425 | 3,047 | 3,160 | 2,997 | 2,178 |
| 15 Revolving | 105,125 | 120,174 | 129,580 | 11,124 | 10,953 | 11,614 | 11,483 | 11,867 | 12,071 | 12,352 |
| 16 Commercial banks | 51,333 | 61,048 | 61,847 | 5,264 | 5,155 | 5,554 | 5,185 | 5,602 | 5,695 | 5,561 |
| 17 Retailers | 37,775 | 41,121 | 45,331 | 3,851 | 3,774 | 3,999 | 4,168 | 3,981 | 4,196 | 4,519 |
| 18 Gasoline companies | 16,017 | 18,005 | 22,402 | 2,009 | 2,024 | 2,061 | 2,130 | 2,284 | 2,180 | 2,272 |
| 19 Mobile home | 5,412 | 6,471 | 5,098 | 513 | 474 | 479 | 383 | 409 | 641 | 551 |
| 20 Commercial banks | 3,697 | 4,542 | 2,942 | 257 | 243 | 254 | 171 | 185 | 259 | 251 |
| 21 Finance companies | 886 | 797 | 898 | 89 | 93 | 89 | 81 | 88 | 88 | 100 |
| 22 Savings and loans | 609 | 948 | 1,146 | 159 | 74 | 119 | 119 | 118 | 269 | 184 |
| 23 Credit unions | 220 | 184 | 113 | 8 | 14 | 17 | 12 | 18 | 25 | 16 |
| 24 Other | 99,150 | 104,231 | 88,207 | 8,184 | 7,497 | 7,822 | 7,956 | 8,097 | 8,410 | 8,770 |
| 25 Commercial banks | 34,434 | 35,589 | 28,159 | 2,665 | 2,482 | 2,405 | 2,443 | 2,301 | 2,605 | 2,736 |
| 26 Finance companies | 33,146 | 37,771 | 32,852 | 2,938 | 2,596 | 2,671 | 2,776 | 2,945 | 2,826 | 2,940 |
| 27 Credit unions | 19,352 | 17,345 | 14,187 | 1,407 | 1,379 | 1,480 | 1,390 | 1,536 | 1,542 | 1,576 |
| 28 Retailers | 6,796 | 6,555 | 5,628 | 440 | 476 | 498 | 505 | 519 | 489 | 483 |
| 29 Savings and loans | 3,115 | 4,953 | 5,476 | 536 | 370 | 539 | 596 | 633 | 769 | 801 |
| 30 Mutual savings banks | 2,307 | 2,018 | 1,905 | 198 | 194 | 229 | 246 | 163 | 179 | 234 |
| Liquidations | | | | | | | | | | |
| 31 Total | 254,589 | 286,396 | 304,477 | 26,663 | 25,152 | 25,530 | 26,190 | 26,710 | 26,714 | 26,547 |
| <i>By major holder</i> | | | | | | | | | | |
| 32 Commercial banks | 118,792 | 136,572 | 142,017 | 12,313 | 11,552 | 11,760 | 11,754 | 12,192 | 12,064 | 12,331 |
| 33 Finance companies | 41,075 | 47,498 | 52,363 | 4,869 | 4,258 | 4,325 | 4,791 | 4,663 | 4,372 | 3,965 |
| 34 Credit unions | 31,382 | 32,741 | 32,069 | 2,809 | 2,577 | 2,657 | 2,706 | 2,723 | 2,866 | 2,909 |
| 35 Retailers ¹ | 42,074 | 45,544 | 49,668 | 4,157 | 4,198 | 4,181 | 4,264 | 4,397 | 4,432 | 4,471 |
| 36 Savings and loans | 3,717 | 4,574 | 5,136 | 449 | 458 | 468 | 483 | 497 | 620 | 564 |
| 37 Gasoline companies | 15,760 | 17,496 | 21,414 | 1,911 | 1,952 | 1,978 | 2,024 | 2,075 | 2,186 | 2,131 |
| 38 Mutual savings banks | 1,789 | 1,971 | 1,810 | 155 | 157 | 161 | 168 | 163 | 174 | 176 |
| <i>By major type of credit</i> | | | | | | | | | | |
| 39 Automobile | 69,245 | 79,186 | 83,037 | 7,343 | 6,872 | 6,932 | 7,300 | 7,354 | 7,018 | 6,777 |
| 40 Commercial banks | 42,036 | 46,697 | 46,999 | 4,139 | 3,690 | 3,762 | 3,851 | 3,906 | 3,888 | 3,899 |
| 41 Indirect paper | 22,871 | 25,135 | 25,750 | 2,305 | 2,006 | 2,038 | 2,069 | 2,173 | 2,097 | 2,185 |
| 42 Direct loans | 19,165 | 21,562 | 21,249 | 1,834 | 1,684 | 1,724 | 1,782 | 1,733 | 1,791 | 1,714 |
| 43 Credit unions | 15,438 | 16,353 | 16,478 | 1,439 | 1,301 | 1,364 | 1,386 | 1,402 | 1,454 | 1,447 |
| 44 Finance companies | 11,771 | 16,136 | 19,560 | 1,765 | 1,881 | 1,806 | 2,063 | 2,046 | 1,676 | 1,431 |
| 45 Revolving | 96,090 | 111,546 | 126,655 | 10,851 | 10,688 | 10,998 | 10,926 | 11,426 | 11,484 | 11,514 |
| 46 Commercial banks | 45,366 | 55,527 | 61,708 | 5,283 | 5,034 | 5,343 | 5,126 | 5,436 | 5,349 | 5,408 |
| 47 Retailers | 34,964 | 38,523 | 43,533 | 3,657 | 3,702 | 3,677 | 3,776 | 3,915 | 3,949 | 3,975 |
| 48 Gasoline companies | 15,760 | 17,496 | 21,414 | 1,911 | 1,952 | 1,978 | 2,024 | 2,075 | 2,186 | 2,131 |
| 49 Mobile home | 5,126 | 4,868 | 4,610 | 372 | 400 | 413 | 407 | 456 | 553 | 406 |
| 50 Commercial banks | 3,278 | 3,440 | 3,213 | 278 | 276 | 288 | 287 | 294 | 294 | 266 |
| 51 Finance companies | 812 | 559 | 543 | 47 | 49 | 41 | 66 | 70 | 63 | 42 |
| 52 Savings and loans | 885 | 708 | 716 | 39 | 63 | 72 | 73 | 87 | 172 | 85 |
| 53 Credit unions | 151 | 161 | 138 | 8 | 12 | 12 | 12 | 12 | 24 | 13 |
| 54 Other | 84,128 | 90,796 | 90,175 | 8,097 | 7,192 | 7,187 | 7,557 | 7,474 | 7,659 | 7,850 |
| 55 Commercial banks | 28,112 | 30,908 | 30,097 | 2,613 | 2,552 | 2,367 | 2,521 | 2,563 | 2,533 | 2,758 |
| 56 Finance companies | 28,492 | 30,803 | 32,260 | 3,057 | 2,328 | 2,478 | 2,662 | 2,547 | 2,633 | 2,492 |
| 57 Credit unions | 15,793 | 16,227 | 15,453 | 1,362 | 1,264 | 1,281 | 1,308 | 1,309 | 1,388 | 1,449 |
| 58 Retailers | 7,110 | 7,021 | 6,135 | 500 | 496 | 504 | 488 | 482 | 483 | 496 |
| 59 Savings and loans | 2,832 | 3,866 | 4,420 | 410 | 395 | 396 | 410 | 410 | 448 | 479 |
| 60 Mutual savings banks | 1,789 | 1,971 | 1,810 | 155 | 157 | 161 | 168 | 163 | 174 | 176 |

¹ Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

| Measure | 1978 | 1979 | 1980 | 1980 | | | | 1981 | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------------|--------------------|--------------------|--------------|--------------|--------------|--------------|
| | | | | Sept | Oct | Nov | Dec | Jan | Feb. r | Mar r | Apr r | May |
| 1 Industrial production¹ | 146.1 | 152.5 | 147.1 | 144.1 | 146.9 | 149.4 | 151.0 | 151.7 | 151.5 | 152.2 | 152.3 | 152.8 |
| <i>Market groupings</i> | | | | | | | | | | | | |
| 2 Products, total | 144.8 | 150.0 | 146.8 | 145.3 | 147.2 | 148.7 | 149.9 | 150.3 ^r | 149.8 | 150.8 | 151.6 | 152.1 |
| 3 Final, total | 135.9 | 147.2 | 145.4 | 143.9 | 145.8 | 147.5 | 148.3 | 148.3 ^r | 147.9 | 149.3 | 150.4 | 151.1 |
| 4 Consumer goods | 149.1 | 150.8 | 145.5 | 144.3 | 146.6 | 148.0 | 147.7 | 147.2 | 146.9 | 148.2 | 149.3 | 150.0 |
| 5 Equipment | 132.8 | 142.2 | 145.1 | 143.2 | 144.8 | 146.7 | 149.1 | 149.8 ^r | 149.1 | 150.8 | 151.9 | 152.7 |
| 6 Intermediate | 154.1 | 160.5 | 151.9 | 150.6 | 152.4 | 153.5 | 156.1 | 157.7 ^r | 156.9 | 156.5 | 156.0 | 155.6 |
| 7 Materials | 148.3 | 156.4 | 147.7 | 142.4 | 146.4 | 150.5 | 152.6 | 153.8 ^r | 154.2 | 154.4 | 153.4 | 153.8 |
| <i>Industry groupings</i> | | | | | | | | | | | | |
| 8 Manufacturing | 146.8 | 153.6 | 146.6 | 143.4 | 146.4 | 149.1 | 150.6 | 151.1 | 151.0 | 151.7 | 152.3 | 152.9 |
| <i>Capacity utilization (percent)^{1,2}</i> | | | | | | | | | | | | |
| 9 Manufacturing | 84.4 | 85.7 | 79.0 | 76.7 | 78.2 | 79.4 | 79.9 | 80.0 | 79.8 | 79.0 | 80.0 | 80.1 |
| 10 Industrial materials industries | 85.6 | 87.4 | 79.8 | 76.4 | 78.4 | 80.4 | 81.3 | 81.7 ^r | 81.7 | 81.7 | 80.9 | 81.0 |
| 11 Construction contracts (1972 = 100) ³ | 174.1 | 185.6 | 161.8 | 163.0 | 167.0 | 210.0 | 193.0 | 185.0 | 177.0 | 183.0 | 172.0 | n a |
| 12 Nonagricultural employment, total ⁴ | 131.8 | 136.6 | 137.8 | 137.4 | 137.9 | 138.2 | 138.5 | 139.0 | 139.3 | 139.4 | 139.0 | 139.0 |
| 13 Goods-producing, total | 109.8 | 113.7 | 110.9 | 109.3 | 110.0 | 110.7 | 111.1 | 111.7 | 111.5 | 111.6 | 110.8 | 110.2 |
| 14 Manufacturing, total | 105.4 | 108.3 | 104.7 | 103.1 | 103.7 | 104.3 | 104.4 | 104.6 | 104.8 | 104.9 | 105.1 | 105.0 |
| 15 Manufacturing, production-worker | 103.0 | 105.4 | 99.8 | 97.7 | 100.7 | 99.1 | 99.2 | 99.4 | 99.5 | 99.6 | 99.8 | 99.8 |
| 16 Service-producing | 143.8 | 149.2 | 152.5 | 152.7 | 153.1 | 153.3 | 153.5 | 154.0 | 154.5 | 154.6 | 154.5 | 154.8 |
| 17 Personal income, total | 273.3 | 308.5 | 342.9 | 350.1 | 354.7 | 358.3 | 361.4 | 365.2 ^r | 367.9 | 371.1 | 373.2 | n.a. |
| 18 Wages and salary disbursements | 258.8 | 289.5 | 314.7 | 317.8 | 323.6 | 328.0 | 330.5 | 335.6 ^r | 337.9 | 340.0 | 340.7 | n.a. |
| 19 Manufacturing | 223.1 | 248.6 | 261.5 | 262.9 | 267.6 | 273.1 | 275.8 | 280.1 ^r | 281.3 | 282.2 | 285.2 | n.a. |
| 20 Disposable personal income ⁵ | 268.7 | 301.5 | 334.5 | | | 348.4 | | | 357.6 | | | |
| 21 Retail sales ⁶ | 253.8 | 281.6 | 300.0 | 306.0 | 308.0 | 313.8 | 315.8 | 326.6 | 331.7 | 334.8 | 327.6 | 328.2 |
| <i>Prices⁷</i> | | | | | | | | | | | | |
| 22 Consumer | 195.4 | 217.4 | 246.8 | 251.7 | 253.9 | 256.2 | 258.4 | 260.5 | 263.2 | 265.1 | 266.8 | n a |
| 23 Producer finished goods | 194.6 | 216.1 | 246.9 | 251.4 | 255.4 | 256.2 ^r | 257.2 ^r | 260.4 ^r | 262.4 | 265.3 | 267.7 | 268.9 |

1. The industrial production and capacity utilization series have been revised back to January 1979

2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce

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

4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces

5. Based on data in *Survey of Current Business* (U.S. Department of Commerce). Series for disposable income is quarterly

6. Based on Bureau of Census data published in *Survey of Current Business*.

7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor

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

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

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

| Series | 1980 | | | 1981 | 1980 | | | 1981 | 1980 | | | 1981 |
|--------------------------------|---------------------|--------------|--------------|-----------------|-----------------------------------|--------------|--------------|--------------|----------------------------|-------------|-------------|-----------------|
| | Q2 | Q3 | Q4 | Q1 ^r | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 ^r |
| | Output (1967 = 100) | | | | Capacity (percent of 1967 output) | | | | Utilization rate (percent) | | | |
| 1 Manufacturing | 143.9 | 141.0 | 148.7 | 151.3 | 184.8 | 186.3 | 187.8 | 189.3 | 77.9 | 75.7 | 79.2 | 79.9 |
| 2 Primary processing | 145.0 | 139.6 | 153.1 | 157.3 | 190.0 | 191.5 | 193.0 | 194.3 | 76.3 | 72.9 | 79.4 | 81.0 |
| 3 Advanced processing | 143.3 | 141.8 | 146.4 | 148.2 | 182.0 | 183.5 | 185.0 | 186.6 | 78.7 | 77.3 | 79.1 | 79.4 |
| 4 Materials | 145.1 | 139.2 | 149.8 | 154.1 | 184.3 | 185.8 | 187.2 | 188.7 | 78.7 | 74.9 | 80.0 | 81.7 |
| 5 Durable goods | 140.6 | 131.5 | 145.1 | 151.1 | 188.6 | 190.0 | 191.5 | 192.8 | 74.6 | 69.2 | 75.8 | 78.4 |
| 6 Metal materials | 100.6 | 86.6 | 109.9 | 117.2 | 140.8 | 140.9 | 141.0 | 141.1 | 71.4 | 61.5 | 78.0 | 83.1 |
| 7 Nondurable goods | 166.0 | 161.9 | 175.5 | 179.1 | 202.0 | 204.3 | 206.5 | 208.5 | 82.2 | 79.2 | 85.0 | 85.9 |
| 8 Textile, paper, and chemical | 171.9 | 165.6 | 182.7 | 186.8 | 211.0 | 213.7 | 216.2 | 218.5 | 81.5 | 77.5 | 84.5 | 85.5 |
| 9 Textile | 116.4 | 113.4 | 113.2 | 111.0 | 139.2 | 139.6 | 140.0 | 140.3 | 83.7 | 81.2 | 80.9 | 79.1 |
| 10 Paper | 142.1 | 142.9 | 148.9 | 151.2 | 156.0 | 157.4 | 158.8 | 160.0 | 91.0 | 90.7 | 93.8 | 94.5 |
| 11 Chemical | 208.3 | 197.9 | 226.9 | 234.6 | 264.6 | 268.7 | 272.9 | 276.4 | 78.7 | 73.6 | 83.2 | 84.9 |
| 12 Energy materials | 130.0 | 129.6 | 129.5 | 130.8 | 151.8 | 152.6 | 153.1 | 154.1 | 85.6 | 85.0 | 84.6 | 84.9 |

2.11 Continued

| Series | Previous cycle ¹ | | Latest cycle ² | | 1980 | 1980 | | | 1981 | | | | |
|---------------------------------|-------------------------------------|------|---------------------------|------|------|------|------|------|------|------|------|------|------|
| | High | Low | High | Low | May | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May |
| | Capacity utilization rate (percent) | | | | | | | | | | | | |
| 13 Manufacturing | 88.0 | 69.0 | 87.2 | 74.9 | 77.6 | 78.2 | 79.4 | 79.9 | 80.0 | 79.8 | 79.9 | 80.0 | 80.1 |
| 14 Primary processing | 93.8 | 68.2 | 90.1 | 70.9 | 75.8 | 77.6 | 79.6 | 80.8 | 81.2 | 81.2 | 80.5 | 80.6 | 80.5 |
| 15 Advanced processing | 85.5 | 69.4 | 86.2 | 77.1 | 78.6 | 78.5 | 79.2 | 79.6 | 79.5 | 79.1 | 79.6 | 79.7 | 79.9 |
| 16 Materials | 92.6 | 69.4 | 88.8 | 73.7 | 78.3 | 78.4 | 80.4 | 81.3 | 81.7 | 81.7 | 81.7 | 80.9 | 81.0 |
| 17 Durable goods | 91.5 | 63.6 | 88.4 | 68.0 | 74.1 | 73.5 | 76.5 | 77.3 | 78.0 | 78.2 | 78.9 | 78.7 | 78.8 |
| 18 Metal materials | 98.3 | 68.6 | 96.0 | 58.4 | 70.0 | 71.5 | 81.4 | 81.0 | 82.0 | 83.2 | 84.1 | 81.1 | 81.0 |
| 19 Non-durable goods | 94.5 | 67.2 | 90.9 | 76.8 | 81.8 | 84.4 | 84.3 | 86.3 | 86.7 | 86.1 | 84.9 | 85.4 | 85.7 |
| 20 Textile, paper, and chemical | 95.1 | 65.3 | 91.4 | 74.5 | 81.3 | 83.8 | 83.7 | 85.9 | 86.2 | 85.8 | 84.5 | 85.1 | 85.4 |
| 21 Textile | 92.6 | 57.9 | 90.1 | 79.5 | 84.5 | 82.1 | 80.7 | 79.8 | 79.8 | 79.2 | 78.2 | 79.1 | 79.7 |
| 22 Paper | 99.4 | 72.4 | 97.6 | 88.1 | 90.8 | 93.0 | 94.1 | 94.2 | 93.7 | 94.8 | 94.9 | 93.8 | 93.5 |
| 23 Chemical | 95.5 | 64.2 | 91.2 | 69.6 | 78.3 | 82.1 | 82.0 | 85.4 | 85.9 | 85.2 | 83.6 | 84.4 | 84.9 |
| 24 Energy materials | 94.6 | 84.8 | 88.3 | 83.1 | 85.3 | 83.1 | 85.5 | 85.0 | 84.6 | 85.2 | 84.8 | 80.3 | 79.7 |

¹ Monthly high 1973, monthly low 1975

² Preliminary; monthly highs December 1978 through January 1980, monthly lows July 1980 through October 1980

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

| Category | 1978 | 1979 | 1980 | 1980 | | 1981 | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Nov | Dec | Jan | Feb | Mar | Apr | May |
| HOUSEHOLD SURVEY DATA | | | | | | | | | | |
| 1 Noninstitutional population¹ | 161,058 | 163,620 | 166,246 | 167,201 | 167,396 | 167,585 | 167,747 | 167,902 | 168,071 | 168,272 |
| 2 Labor force (including Armed Forces) ¹ | 102,537 | 104,996 | 106,821 | 107,404 | 107,191 | 107,668 | 107,802 | 108,305 | 108,851 | 109,533 |
| 3 Civilian labor force | 100,420 | 102,908 | 104,719 | 105,285 | 105,067 | 105,543 | 105,681 | 106,177 | 106,722 | 107,406 |
| 4 Employment | | | | | | | | | | |
| 5 Nonagricultural industries ² | 91,031 | 93,648 | 93,960 | 93,999 | 93,888 | 94,294 | 94,646 | 95,136 | 95,513 | 95,882 |
| 6 Agriculture | 3,342 | 3,297 | 3,310 | 3,340 | 3,394 | 3,403 | 3,281 | 3,276 | 3,463 | 3,353 |
| 7 Unemployment | | | | | | | | | | |
| 8 Number | 6,047 | 5,963 | 7,448 | 7,946 | 7,788 | 7,847 | 7,754 | 7,764 | 7,746 | 8,171 |
| 9 Rate (percent of civilian labor force) | 6.0 | 5.8 | 7.1 | 7.5 | 7.4 | 7.4 | 7.3 | 7.3 | 7.3 | 7.6 |
| 10 Not in labor force | 58,521 | 58,623 | 59,425 | 59,797 | 60,205 | 59,917 | 59,946 | 59,598 | 59,219 | 58,739 |
| ESTABLISHMENT SURVEY DATA | | | | | | | | | | |
| 9 Nonagricultural payroll employment¹ | 86,697 | 89,886 | 90,652 | 90,961 | 91,125 | 91,481 | 91,653 | 91,705 | 91,490 | 91,474 |
| 10 Manufacturing | 20,505 | 21,062 | 20,365 | 20,282 | 20,312 | 20,345 | 20,375 | 20,396 | 20,440 | 20,412 |
| 11 Mining | 851 | 960 | 1,025 | 1,054 | 1,072 | 1,086 | 1,095 | 1,100 | 949 | 951 |
| 12 Contract construction | 4,229 | 4,483 | 4,468 | 4,475 | 4,508 | 4,610 | 4,518 | 4,514 | 4,441 | 4,315 |
| 13 Transportation and public utilities | 4,923 | 5,141 | 5,155 | 5,132 | 5,137 | 5,142 | 5,156 | 5,164 | 5,162 | 5,163 |
| 14 Trade | 19,542 | 20,269 | 20,571 | 20,660 | 20,638 | 20,762 | 20,885 | 20,917 | 20,808 | 20,888 |
| 15 Finance | 4,724 | 4,974 | 5,162 | 5,225 | 5,245 | 5,268 | 5,277 | 5,284 | 5,297 | 5,307 |
| 16 Service | 16,252 | 17,078 | 17,736 | 17,969 | 18,068 | 18,133 | 18,181 | 18,212 | 18,275 | 18,366 |
| 17 Government | 15,672 | 15,920 | 16,171 | 16,164 | 16,145 | 16,135 | 16,137 | 16,118 | 16,118 | 16,072 |

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

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

³ Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1979 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.13 Continued

| Grouping | SIC code | 1967 proportion | 1980 Avg | 1980 | | | | | | | | 1981 | | | | |
|---|----------|-----------------|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | May | June | July | Aug | Sept | Oct. | Nov | Dec | Jan | Feb | Mar | Apr | May |
| Index (1967 = 100) | | | | | | | | | | | | | | | | |
| MAJOR INDUSTRY | | | | | | | | | | | | | | | | |
| 1 Mining and utilities | | 12 05 | 150 4 | 149 6 | 150 1 | 150 1 | 150 5 | 150 5 | 150 2 | 152 8 | 154 0 | 155 2 | 155 2 | 155 8 | 152 6 | 152 5 |
| 2 Mining | | 6 36 | 132 9 | 133 4 | 132 9 | 130 6 | 129 6 | 130 5 | 132 1 | 136 0 | 139 3 | 141 1 | 143 3 | 143 8 | 136 2 | 135 7 |
| 3 Utilities | | 5 69 | 169 9 | 167 7 | 169 3 | 171 8 | 173 8 | 172 7 | 170 4 | 171 5 | 170 3 | 171 0 | 168 5 | 169 3 | 170 8 | 171 3 |
| 4 Electric | | 3 88 | 189 7 | 186 0 | 188 7 | 192 4 | 195 4 | 193 9 | 190 3 | 191 5 | 190 3 | 191 1 | 187 4 | 188 6 | 190 7 | 191 2 |
| 5 Manufacturing | | 87 95 | 146 6 | 143 4 | 140 3 | 139 1 | 140 6 | 143 4 | 146 4 | 149 1 | 150 6 | 151 1 | 151 0 | 151 7 | 152 3 | 152 9 |
| 6 Non-durable | | 35 97 | 161 1 | 158 0 | 155 3 | 154 7 | 156 9 | 160 3 | 161 8 | 163 3 | 165 0 | 165 2 | 166 1 | 165 5 | 166 1 | 166 6 |
| 7 Durable | | 51 98 | 136 6 | 133 3 | 129 9 | 128 3 | 129 4 | 131 7 | 135 8 | 139 3 | 140 6 | 141 4 | 140 7 | 142 2 | 142 7 | 143 5 |
| <i>Mining</i> | | | | | | | | | | | | | | | | |
| 8 Metal | 10 | 51 | 109 1 | 120 8 | 120 0 | 83 1 | 71 2 | 73 1 | 90 8 | 107 2 | 122 2 | 126 3 | 133 7 | 131 1 | 124 9 | |
| 9 Coal | 11 12 | 69 | 146 7 | 145 0 | 150 0 | 149 8 | 154 9 | 148 9 | 145 7 | 151 6 | 155 3 | 150 3 | 158 9 | 151 1 | 75 8 | 71 1 |
| 10 Oil and gas extraction | 13 | 4 40 | 133 8 | 133 9 | 133 2 | 134 3 | 133 6 | 134 7 | 135 4 | 137 4 | 139 1 | 141 5 | 142 7 | 145 0 | 147 1 | 147 6 |
| 11 Stone and earth minerals | 14 | 75 | 131 7 | 128 1 | 123 9 | 123 7 | 123 5 | 128 2 | 129 0 | 133 0 | 137 8 | 140 0 | 138 9 | 138 4 | 135 3 | |
| <i>Non-durable manufactures</i> | | | | | | | | | | | | | | | | |
| 12 Foods | 20 | 8 75 | 149 2 | 149 5 | 149 0 | 148 9 | 148 3 | 148 6 | 149 4 | 150 5 | 150 7 | 150 0 | 151 5 | 152 2 | 153 0 | |
| 13 Tobacco products | 21 | 67 | 119 8 | 116 2 | 113 9 | 119 6 | 117 4 | 119 1 | 123 1 | 125 1 | 118 8 | 122 9 | 123 1 | 117 3 | | |
| 14 Textile mill products | 22 | 2 68 | 136 8 | 137 1 | 133 6 | 132 5 | 132 6 | 133 0 | 133 8 | 135 0 | 133 9 | 133 8 | 135 5 | 134 0 | 135 1 | |
| 15 Apparel products | 23 | 3 31 | 128 6 | 128 6 | 127 2 | 121 5 | 123 8 | 126 7 | 127 5 | 128 0 | 125 1 | 125 9 | 124 0 | 123 6 | | |
| 16 Paper and products | 26 | 3 21 | 151 0 | 145 7 | 146 2 | 143 6 | 147 1 | 152 3 | 153 0 | 154 4 | 156 8 | 157 2 | 156 7 | 156 9 | 156 2 | 156 7 |
| 17 Printing and publishing | 27 | 4 72 | 139 6 | 135 5 | 135 4 | 138 6 | 140 3 | 140 3 | 141 5 | 142 7 | 144 9 | 145 5 | 145 8 | 144 1 | 142 7 | 143 1 |
| 18 Chemicals and products | 28 | 7 74 | 206 7 | 199 2 | 191 1 | 190 3 | 197 8 | 206 8 | 209 1 | 212 0 | 218 8 | 219 2 | 220 9 | 219 3 | 220 5 | |
| 19 Petroleum products | 29 | 1 79 | 134 9 | 133 0 | 131 3 | 130 5 | 126 7 | 130 5 | 130 1 | 131 2 | 137 5 | 137 3 | 134 3 | 131 4 | 130 2 | 128 6 |
| 20 Rubber and plastic products | 30 | 2 24 | 255 8 | 248 1 | 242 9 | 242 5 | 245 9 | 253 1 | 259 2 | 259 6 | 259 2 | 258 2 | 264 0 | 266 9 | 272 7 | |
| 21 Leather and products | 31 | 86 | 70 1 | 70 1 | 68 5 | 67 8 | 67 7 | 67 2 | 70 2 | 71 2 | 67 8 | 68 9 | 69 4 | 69 1 | 67 5 | |
| <i>Durable manufactures</i> | | | | | | | | | | | | | | | | |
| 22 Ordnance, private and government | 19 91 | 3 64 | 77 9 | 77 9 | 77 5 | 77 1 | 77 2 | 77 1 | 79 1 | 79 6 | 79 5 | 78 9 | 78 6 | 78 3 | 78 8 | 79 8 |
| 23 Lumber and products | 24 | 1 64 | 119 3 | 104 5 | 109 7 | 112 8 | 121 7 | 122 6 | 122 2 | 124 9 | 122 0 | 126 3 | 126 3 | 125 4 | 125 0 | |
| 24 Furniture and fixtures | 25 | 1 37 | 150 0 | 149 5 | 143 1 | 138 6 | 141 1 | 144 8 | 147 2 | 147 2 | 149 0 | 150 5 | 153 0 | 153 0 | 155 5 | |
| 25 Clay, glass, stone products | 32 | 2 74 | 146 5 | 140 8 | 134 5 | 134 2 | 135 7 | 141 4 | 145 2 | 147 8 | 151 4 | 154 9 | 154 8 | 152 9 | 151 3 | |
| 26 Primary metals | 33 | 6 57 | 101 6 | 96 1 | 90 4 | 81 7 | 86 0 | 90 1 | 100 6 | 113 4 | 112 1 | 113 9 | 114 2 | 114 0 | 112 3 | 111 0 |
| 27 Iron and steel | 331 2 | 4 21 | 91 7 | 84 4 | 75 4 | 68 1 | 75 3 | 79 8 | 93 3 | 107 4 | 103 5 | 108 0 | 107 8 | 106 3 | 104 8 | |
| 28 Fabricated metal products | 34 | 5 93 | 135 0 | 133 2 | 126 1 | 123 8 | 125 8 | 129 0 | 132 8 | 134 1 | 137 4 | 137 6 | 139 1 | 141 3 | 141 6 | 142 1 |
| 29 Nonelectrical machinery | 35 | 9 15 | 162 8 | 162 1 | 158 3 | 158 5 | 158 8 | 159 1 | 161 1 | 163 4 | 167 5 | 168 9 | 169 1 | 170 7 | 171 9 | 172 7 |
| 30 Electrical machinery | 36 | 8 05 | 172 7 | 171 4 | 166 6 | 165 0 | 166 7 | 167 5 | 170 0 | 173 0 | 174 9 | 177 9 | 174 6 | 177 1 | 178 4 | 179 6 |
| 31 Transportation equipment | 37 | 9 27 | 116 8 | 109 8 | 110 0 | 110 7 | 108 3 | 112 9 | 118 8 | 121 7 | 120 6 | 117 3 | 114 9 | 119 3 | 120 4 | 123 5 |
| 32 Motor vehicles and parts | 371 | 4 50 | 118 8 | 105 9 | 106 7 | 107 9 | 104 4 | 113 4 | 124 2 | 129 0 | 126 3 | 119 2 | 117 5 | 127 4 | 129 8 | 135 8 |
| 33 Aerospace and miscellaneous transportation equipment | 372-9 | 4 77 | 114 9 | 113 5 | 113 1 | 113 4 | 111 9 | 112 3 | 113 6 | 114 8 | 115 2 | 115 5 | 112 5 | 111 7 | 111 6 | 112 0 |
| 34 Instruments | 38 | 2 11 | 171 0 | 171 0 | 169 2 | 167 5 | 167 6 | 167 4 | 169 6 | 169 9 | 172 1 | 174 0 | 171 3 | 169 9 | 170 2 | 170 7 |
| 35 Miscellaneous manufactures | 39 | 1 51 | 147 8 | 147 3 | 43 7 | 144 7 | 144 2 | 142 8 | 145 0 | 147 5 | 149 5 | 151 8 | 153 6 | 154 9 | 157 5 | 156 5 |
| Gross value (billions of 1972 dollars, annual rates) | | | | | | | | | | | | | | | | |
| MAJOR MARKET | | | | | | | | | | | | | | | | |
| 36 Products, total | | 507.4 | 602.1 | 588.6 | 585.0 | 586.7 | 585.9 | 593.3 | 604.7 | 610.9 | 615.5 | 614.0 | 612.0 | 617.4 | 617.6 | 621.7 |
| 37 Final | | 390 9 | 465 4 | 457 3 | 455 6 | 456 9 | 453 0 | 458 0 | 467 7 | 473 0 | 475 5 | 472 6 | 470 4 | 476 4 | 477 6 | 482 4 |
| 38 Consumer goods | | 277 5 | 313 5 | 306 3 | 305 8 | 307 7 | 305 1 | 309 0 | 316 6 | 320 0 | 320 3 | 317 2 | 316 5 | 320 2 | 321 1 | 324 0 |
| 39 Equipment | | 113 4 | 151 9 | 151 0 | 149 8 | 149 2 | 147 9 | 149 0 | 151 1 | 153 0 | 155 2 | 155 4 | 154 0 | 156 2 | 156 5 | 158 3 |
| 40 Intermediate | | 116 6 | 136 7 | 131 3 | 129 4 | 129 9 | 132 9 | 135 3 | 137 1 | 137 9 | 140 0 | 141 5 | 141 5 | 140 9 | 140 0 | 139 3 |

Notes: Published groupings include some series and subtotals not shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System, Washington, D.C.), December 1977.

2.14 HOUSING AND CONSTRUCTION

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

| Item | 1978 | 1979 | 1980 | 1980 | | | | 1981 | | | |
|---|---------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|---------|
| | | | | Sept | Oct | Nov | Dec | Jan. | Feb. ^r | Mar. ^r | Apr. |
| Private residential real estate activity (thousands of units) | | | | | | | | | | | |
| NEW UNITS | | | | | | | | | | | |
| 1 Permits authorized | 1,801 | 1,552 | 1,191 ^r | 1,518 ^r | 1,351 ^r | 1,366 ^r | 1,249 ^r | 1,214 ^r | 1,165 | 1,153 | 1,185 |
| 2 1-family | 1,183 | 981 | 710 ^r | 884 ^r | 820 ^r | 809 ^r | 753 ^r | 715 ^r | 667 | 678 | 691 |
| 3 2-or-more-family | 618 | 571 ^r | 481 ^r | 634 ^r | 531 ^r | 557 ^r | 496 ^r | 499 ^r | 488 | 475 | 494 |
| 4 Started | 2,020 | 1,745 | 1,292 | 1,482 | 1,519 | 1,550 | 1,535 | 1,660 | 1,215 | 1,289 | 1,343 |
| 5 1-family | 1,433 | 1,194 | 852 | 1,032 | 1,009 | 1,019 | 974 | 993 | 791 | 833 | 889 |
| 6 2-or-more-family | 587 | 551 | 440 | 450 | 510 | 531 | 561 | 667 | 424 | 456 | 454 |
| 7 Under construction, end of period ¹ | 1,310 | 1,140 | 896 ^r | 864 | 886 | 905 | 915 | 940 ^r | 941 | 928 | ↑ |
| 8 1-family | 765 | 639 | 515 | 495 | 514 | 529 | 535 | 544 | 541 | 535 | ↑ |
| 9 2-or-more-family | 546 | 501 | 382 ^r | 369 | 372 | 376 | 380 | 396 ^r | 400 | 393 | ↓ |
| 10 Completed | 1,868 | 1,855 | 1,502 ^r | 1,254 | 1,287 | 1,274 | 1,373 | 1,252 ^r | 1,375 | 1,362 | n.a. |
| 11 1-family | 1,369 | 1,286 | 957 ^r | 763 | 823 | 819 | 895 | 903 ^r | 961 | 868 | ↓ |
| 12 2-or-more-family | 499 | 570 | 545 | 491 | 464 | 455 | 478 | 349 ^r | 414 | 494 | ↓ |
| 13 Mobile homes shipped | 276 | 277 | 222 | 239 | 236 | 239 | 261 | 233 | 256 | 255 | ↓ |
| Merchant builder activity in 1-family units | | | | | | | | | | | |
| 14 Number sold | 818 | 709 | 530 | 563 | 549 | 560 | 514 | 523 ^r | 503 | 510 | 441 |
| 15 Number for sale, end of period ¹ | 419 | 402 | 340 ^r | 335 | 334 | 337 | 336 | 329 ^r | 335 | 326 | 329 |
| Price (thousands of dollars) ² | | | | | | | | | | | |
| Median | | | | | | | | | | | |
| 16 Units sold | 55.8 | 62.7 | 64.9 | 68.5 | 66.1 | 67.1 | 67.2 | 67.9 ^r | 65.9 | 67.3 | 69.3 |
| Average | | | | | | | | | | | |
| 17 Units sold | 62.7 | 71.9 | 76.6 | 80.3 | 77.7 | 82.2 | 81.5 | 80.2 ^r | 79.6 | 80.8 | 84.0 |
| EXISTING UNITS (1-family) | | | | | | | | | | | |
| 18 Number sold | 3,863 | 3,701 | 2,881 | 3,280 | 3,120 | 2,960 | 2,910 | 2,580 | 2,560 | 2,490 | 2,640 |
| Price of units sold (thous. of dollars) ² | | | | | | | | | | | |
| Median | | | | | | | | | | | |
| 19 Median | 48.7 | 55.5 | 62.1 | 64.2 | 62.7 | 64.3 | 63.0 | 64.5 | 64.1 | 64.4 | 65.3 |
| Average | | | | | | | | | | | |
| 20 Average | 55.1 | 64.0 | 72.7 | 75.5 | 73.4 | 74.9 | 74.0 | 76.1 | 75.7 | 76.2 | 77.6 |
| Value of new construction ³ (millions of dollars) | | | | | | | | | | | |
| CONSTRUCTION | | | | | | | | | | | |
| 21 Total put in place | 205,457 | 228,948 | 228,705 | 223,660 | 228,831 | 235,784 | 247,403 | 261,916 | 253,941 | 251,542 | 244,632 |
| 22 Private | 159,555 | 179,948 | 173,578 | 167,882 | 173,833 | 182,182 | 189,153 | 196,400 | 193,374 | 191,223 | 190,443 |
| 23 Residential | 93,423 | 99,029 | 86,903 | 84,378 | 89,207 | 97,007 | 100,216 | 103,154 | 100,603 | 97,376 | 97,014 |
| 24 Nonresidential, total | 66,132 | 80,919 | 86,675 | 83,504 | 84,626 | 85,175 | 88,937 | 93,246 | 92,771 | 93,847 | 93,429 |
| Buildings | | | | | | | | | | | |
| 25 Industrial | 10,993 | 14,953 | 14,021 | 13,102 | 12,996 | 13,392 | 15,079 | 15,127 | 15,239 | 15,652 | 15,391 |
| 26 Commercial | 18,568 | 24,924 | 29,344 | 27,425 | 28,417 | 28,888 | 30,392 | 33,605 | 33,071 | 33,100 | 33,244 |
| 27 Other | 6,739 | 7,427 | 8,533 | 8,447 | 8,760 | 8,799 | 9,086 | 9,931 | 9,640 | 9,728 | 9,148 |
| 28 Public utilities and other | 29,832 | 33,615 | 34,777 | 34,530 | 34,453 | 34,096 | 34,380 | 34,583 | 34,821 | 35,367 | 35,646 |
| 29 Public | 45,901 | 49,001 | 55,128 | 55,778 | 54,998 | 53,602 | 58,250 | 65,516 | 60,567 | 60,318 | 54,189 |
| 30 Military | 1,501 | 1,641 | 1,853 | 1,717 | 2,069 | 1,765 | 1,705 | 2,063 | 1,980 | 1,967 | 2,149 |
| 31 Highway | 10,713 | 11,915 | 13,473 | 13,804 | 13,550 | 12,427 | 13,742 | 19,882 | 17,812 | 15,515 | 14,144 |
| 32 Conservation and development | 4,457 | 4,586 | 5,083 | 5,091 | 4,763 | 5,109 | 5,626 | 6,242 | 6,197 | 6,018 | 5,688 |
| 33 Other | 29,230 | 30,859 | 34,719 | 35,166 | 34,616 | 34,301 | 37,177 | 37,329 | 34,578 | 36,818 | 32,208 |

1. Not at annual rates

2. Not seasonally adjusted

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

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

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

| Item | 12 months to | | 3 months (at annual rate) to | | | | 1 month to | | | | Index level Apr. 1981 (1967 = 100) ¹ | |
|--|--------------|-------------|------------------------------|-------|------|-------|------------|------------------|------------------|------|---|-------|
| | 1980 Apr | 1981 Apr | 1980 | | | 1981 | 1980 | 1981 | | | | |
| | | | June | Sept. | Dec | Mar | Dec. | Jan | Feb | Mar | | Apr |
| CONSUMER PRICES² | | | | | | | | | | | | |
| 1 All items | 14.7 | 10.0 | 11.4 | 7.8 | 13.2 | 9.6 | 1.0 | .7 | 1.0 | .6 | .4 | 266.8 |
| 2 Commodities | 13.1 | 9.1 | 5.4 | 13.2 | 11.0 | 8.6 | 7 | .6 | 1.1 | 5 | 0 | 250.8 |
| 3 Food | 7.2 | 9.6 | 5.8 | 19.7 | 13.1 | 2.1 | 1.0 | -1 | 3 | 4 | .0 | 272.9 |
| 4 Commodities less food | 15.7 | 8.9 | 5.2 | 10.6 | 9.9 | 12.3 | 6 | 1.0 | 1.4 | .5 | .0 | 238.0 |
| 5 Durable | 9.5 | 7.9 | 7.5 | 15.2 | 11.8 | -7 | 4 | 3 | -3 | -1 | .3 | 221.1 |
| 6 Nondurable | 23.7 | 10.0 | 3.8 | 5.0 | 6.2 | 29.8 | 7 | 2.1 | 3.2 | 1.3 | -2 | 258.1 |
| 7 Services | 16.9 | 11.3 | 20.5 | 7 | 16.8 | 10.3 | 1.4 | 9 | 8 | .8 | 1.0 | 295.4 |
| 8 Rent | 8.7 | 9.2 | 10.0 | 8.6 | 9.6 | 7.0 | 7 | 7 | 5 | 5 | 6 | 204.2 |
| 9 Services less rent | 18.1 | 11.7 | 22.1 | -3 | 17.8 | 10.9 | 1.5 | 9 | 9 | 8 | 1.0 | 312.8 |
| <i>Other groupings</i> | | | | | | | | | | | | |
| 10 All items less food | 16.3 | 10.1 | 12.7 | 5.7 | 13.2 | 11.7 | 1.0 | 1.0 | 1.1 | 7 | 5 | 264.2 |
| 11 All items less food and energy | 13.0 | 9.5 | 14.0 | 5.8 | 14.4 | 5.8 | 1.1 | 6 | 4 | 4 | 6 | 250.1 |
| 12 Homeownership | 22.2 | 10.3 | 26.4 | -3.5 | 23.1 | 3.1 | 1.5 | 5 | 0 | 3 | 7 | 339.3 |
| PRODUCER PRICES | | | | | | | | | | | | |
| 13 Finished goods | 13.7 | 10.6 | 8.4 | 13.5 | 8.3 | 12.0 | 4 | 1.0 ^r | 6 ^r | 1.3 | 8 | 267.7 |
| 14 Consumer | 14.7 | 10.6 | 7.6 | 14.5 | 7.4 | 12.1 | .3 | .9 ^r | .6 ^r | 1.4 | .8 | 269.6 |
| 15 Foods | 1.2 | 9.3 | -1.4 | 31.0 | 4.3 | 3 | 0.0 | 1 ^r | -8 ^r | 8 | .0 | 251.5 |
| 16 Excluding foods | 22.0 | 11.1 | 12.2 | 7.5 | 8.9 | 17.4 | 4 | 1.2 ^r | 1.2 ^r | 1.6 | 1.1 | 275.1 |
| 17 Capital equipment | 10.5 | 10.3 | 10.9 | 9.9 | 11.8 | 11.5 | 4 | 1.1 ^r | 9 ^r | .7 | .9 | 260.5 |
| 18 Intermediate materials ³ | 17.8 | 10.7 | 6.2 | 7.8 | 12.9 | 13.2 | 1.6 | 1.4 ^r | 4 ^r | 1.3 | 1.1 | 309.0 |
| <i>Crude materials</i> | | | | | | | | | | | | |
| 19 Nonfood | 23.9 | 24.3 | 2 | 32.3 | 27.5 | 35.7 | 1.8 | 2.0 ^r | 6.3 ^r | -4 | 1.4 | 488.8 |
| 20 Food | -6.9 | 11.7 | -3 | 73.9 | -4.0 | -23.1 | -2.6 | -1.1 | -3.3 | -2.0 | 1.5 | 263.4 |

1 Not seasonally adjusted

2. Figures for consumer prices are those for all urban consumers

3 Excludes intermediate materials for food manufacturing and manufactured animal feeds

SOURCE: Bureau of Labor Statistics

A50 Domestic Nonfinancial Statistics □ June 1981

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

| Account | 1978 | 1979 | 1980 | 1980 | | | | 1981 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | |
| GROSS NATIONAL PRODUCT | | | | | | | | |
| 1 Total | 2,156.1 | 2,413.9 | 2,626.1 | 2,571.7 | 2,564.8 | 2,637.3 | 2,730.6 | 2,853.8 |
| <i>By source</i> | | | | | | | | |
| 2 Personal consumption expenditures | 1,348.7 | 1,510.9 | 1,672.8 | 1,631.0 | 1,626.8 | 1,682.2 | 1,751.0 | 1,805.8 |
| 3 Durable goods | 199.3 | 212.3 | 211.9 | 220.9 | 194.4 | 208.8 | 223.3 | 237.3 |
| 4 Nondurable goods | 529.8 | 602.2 | 675.7 | 661.1 | 664.0 | 674.2 | 703.5 | 752.2 |
| 5 Services | 619.6 | 696.3 | 785.2 | 749.0 | 768.4 | 799.2 | 824.2 | 843.4 |
| 6 Gross private domestic investment | 375.3 | 415.8 | 395.3 | 415.6 | 390.9 | 377.1 | 397.7 | 435.4 |
| 7 Fixed investment | 353.2 | 398.3 | 401.2 | 413.1 | 383.5 | 393.2 | 415.1 | 432.8 |
| 8 Nonresidential | 242.0 | 279.7 | 296.0 | 297.8 | 289.8 | 294.0 | 302.1 | 316.1 |
| 9 Structures | 78.7 | 96.3 | 108.8 | 108.2 | 108.4 | 107.3 | 111.5 | 116.7 |
| 10 Producers' durable equipment | 163.3 | 183.4 | 187.1 | 189.7 | 181.4 | 186.8 | 190.7 | 199.4 |
| 11 Residential structures | 111.2 | 118.6 | 105.3 | 115.2 | 93.6 | 99.2 | 113.0 | 116.7 |
| 12 Nonfarm | 106.9 | 113.9 | 100.3 | 110.1 | 88.9 | 94.5 | 107.6 | 111.3 |
| 13 Change in business inventories | 22.2 | 17.5 | -5.9 | 2.5 | 7.4 | -16.0 | -17.4 | 2.6 |
| 14 Nonfarm | 21.8 | 13.4 | -4.7 | 1.5 | 6.1 | -12.3 | -14.0 | 5.0 |
| 15 Net exports of goods and services | -0.6 | 13.4 | 23.3 | 8.2 | 17.1 | 44.5 | 23.3 | 37.0 |
| 16 Exports | 219.8 | 281.3 | 339.8 | 337.3 | 333.3 | 342.4 | 346.1 | 376.8 |
| 17 Imports | 220.4 | 267.9 | 316.5 | 329.1 | 316.2 | 297.9 | 322.7 | 339.8 |
| 18 Government purchases of goods and services | 432.6 | 473.8 | 534.7 | 516.8 | 530.0 | 533.5 | 558.6 | 575.5 |
| 19 Federal | 153.4 | 167.9 | 198.9 | 190.0 | 198.7 | 194.9 | 212.0 | 221.5 |
| 20 State and local | 279.2 | 305.9 | 335.8 | 326.8 | 331.3 | 338.6 | 346.6 | 354.1 |
| <i>By major type of product</i> | | | | | | | | |
| 21 Final sales, total | 2,133.9 | 2,396.4 | 2,632.0 | 2,569.1 | 2,557.4 | 2,653.4 | 2,748.0 | 2,851.2 |
| 22 Goods | 946.6 | 1,055.9 | 1,130.4 | 1,116.9 | 1,106.4 | 1,129.4 | 1,169.0 | 1,249.9 |
| 23 Durable | 409.8 | 451.2 | 458.6 | 456.4 | 444.6 | 456.5 | 476.7 | 502.7 |
| 24 Nondurable | 536.8 | 604.7 | 671.9 | 660.5 | 661.8 | 672.9 | 692.2 | 747.3 |
| 25 Services | 976.3 | 1,097.2 | 1,229.6 | 1,178.6 | 1,205.6 | 1,249.0 | 1,285.3 | 1,316.7 |
| 26 Structures | 233.2 | 260.8 | 266.0 | 276.2 | 252.8 | 258.9 | 276.4 | 287.1 |
| 27 Change in business inventories | 22.2 | 17.5 | -5.9 | 2.5 | 7.4 | -16.0 | -17.4 | 2.6 |
| 28 Durable goods | 17.8 | 11.5 | -4.0 | -11.8 | 3.3 | -8.4 | 7 | -4.6 |
| 29 Nondurable goods | -4.4 | 6.0 | -1.8 | 14.3 | 4.1 | -7.7 | -18.1 | 7.2 |
| 30 MIMO Total GNP in 1972 dollars | 1,436.9 | 1,483.0 | 1,480.7 | 1,501.9 | 1,463.3 | 1,471.9 | 1,485.6 | 1,516.0 |
| NATIONAL INCOME | | | | | | | | |
| 31 Total | 1,745.4 | 1,963.3 | 2,121.4 | 2,088.5 | 2,070.0 | 2,122.4 | 2,204.8 | 2,289.3 |
| 32 Compensation of employees | 1,299.7 | 1,460.9 | 1,596.5 | 1,558.0 | 1,569.0 | 1,597.4 | 1,661.8 | 1,721.9 |
| 33 Wages and salaries | 1,105.4 | 1,235.9 | 1,343.6 | 1,314.5 | 1,320.4 | 1,342.3 | 1,397.3 | 1,442.4 |
| 34 Government and government enterprises | 219.6 | 235.9 | 253.6 | 243.3 | 250.5 | 253.9 | 263.3 | 267.0 |
| 35 Other | 885.7 | 1,000.0 | 1,090.0 | 1,067.9 | 1,069.9 | 1,088.4 | 1,134.0 | 1,175.4 |
| 36 Supplement to wages and salaries | 194.3 | 225.0 | 252.9 | 243.5 | 248.6 | 255.0 | 264.5 | 279.5 |
| 37 Employer contributions for social insurance | 92.1 | 106.4 | 115.8 | 112.6 | 113.6 | 116.0 | 121.0 | 131.4 |
| 38 Other labor income | 102.2 | 118.6 | 137.1 | 130.9 | 135.1 | 139.1 | 143.5 | 148.0 |
| 39 Proprietors' income ¹ | 117.1 | 131.6 | 130.6 | 133.7 | 124.9 | 129.7 | 134.0 | 131.8 |
| 40 Business and professional ¹ | 91.0 | 100.7 | 107.2 | 107.9 | 101.6 | 107.6 | 111.6 | 113.0 |
| 41 Farm ¹ | 26.1 | 30.8 | 23.4 | 25.7 | 23.3 | 22.1 | 22.5 | 18.8 |
| 42 Rental income of persons ² | 27.4 | 30.5 | 31.8 | 31.2 | 31.5 | 32.0 | 32.4 | 32.7 |
| 43 Corporate profits ¹ | 199.0 | 196.8 | 182.7 | 200.2 | 169.3 | 177.9 | 183.3 | 202.6 |
| 44 Profits before tax ¹ | 223.3 | 255.4 | 245.5 | 277.1 | 217.9 | 237.6 | 249.5 | 258.7 |
| 45 Inventory valuation adjustment | -24.3 | -42.6 | -45.7 | -61.4 | -31.1 | -41.7 | -48.4 | -39.2 |
| 6 Capital consumption adjustment | -13.5 | -15.9 | -17.2 | -15.4 | -17.6 | -17.9 | -17.8 | -16.9 |
| 47 Net interest | 115.8 | 143.4 | 179.8 | 165.4 | 175.3 | 185.3 | 193.3 | 200.3 |

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

3 For after-tax profits, dividends, and the like, see table 1.49

SOURCE: Survey of Current Business (Department of Commerce)

2.17 PERSONAL INCOME AND SAVING

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

| Account | 1978 | 1979 | 1980 | 1980 | | | | 1981 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | |
| PERSONAL INCOME AND SAVING | | | | | | | | |
| 1 Total personal income | 1,721.8 | 1,943.8 | 2,160.2 | 2,088.2 | 2,114.5 | 2,182.1 | 2,256.2 | 2,318.7 |
| 2 Wage and salary disbursements | 1,105.2 | 1,236.1 | 1,343.7 | 1,314.7 | 1,320.4 | 1,341.8 | 1,397.8 | 1,442.4 |
| 3 Commodity-producing industries | 389.1 | 437.9 | 465.4 | 461.7 | 456.0 | 460.1 | 484.0 | 501.2 |
| 4 Manufacturing | 299.2 | 333.4 | 350.7 | 347.9 | 343.2 | 346.7 | 364.0 | 377.3 |
| 5 Distributive industries | 270.5 | 303.0 | 328.9 | 322.6 | 323.2 | 329.2 | 340.6 | 351.7 |
| 6 Service industries | 226.1 | 259.2 | 295.7 | 283.6 | 290.8 | 298.7 | 310.0 | 322.5 |
| 7 Government and government enterprises | 219.4 | 236.1 | 253.6 | 246.8 | 250.5 | 253.9 | 263.3 | 267.0 |
| 8 Other labor income | 102.2 | 118.6 | 137.1 | 130.9 | 135.1 | 139.1 | 143.5 | 148.0 |
| 9 Proprietors' income ¹ | 117.2 | 133.6 | 130.6 | 133.7 | 129.7 | 129.7 | 134.0 | 131.8 |
| 10 Business and professional ¹ | 91.0 | 100.8 | 107.2 | 107.9 | 101.6 | 107.6 | 111.6 | 113.0 |
| 11 Farm ¹ | 26.1 | 30.8 | 23.4 | 25.7 | 23.3 | 22.1 | 22.5 | 18.8 |
| 12 Rental income of persons ² | 27.4 | 30.5 | 31.8 | 31.2 | 31.5 | 32.0 | 32.4 | 32.7 |
| 13 Dividends | 43.1 | 48.6 | 54.4 | 52.4 | 54.2 | 55.1 | 56.1 | 58.0 |
| 14 Personal interest income | 173.2 | 209.6 | 256.3 | 239.9 | 253.6 | 261.8 | 269.7 | 288.3 |
| 15 Transfer payments | 223.3 | 249.4 | 294.2 | 271.7 | 280.7 | 310.7 | 313.9 | 319.7 |
| 16 Old-age survivors, disability, and health insurance benefits | 116.2 | 131.8 | 153.8 | 142.0 | 144.7 | 163.2 | 165.3 | 169.8 |
| 17 LESS Personal contributions for social insurance | 69.6 | 80.6 | 87.9 | 86.2 | 85.9 | 88.1 | 91.2 | 102.2 |
| 18 EQUALS Personal income | 1,721.8 | 1,943.8 | 2,160.2 | 2,088.2 | 2,114.5 | 2,182.1 | 2,256.2 | 2,318.7 |
| 19 LESS Personal tax and nontax payments | 258.8 | 302.0 | 338.5 | 323.1 | 330.3 | 341.5 | 359.2 | 371.9 |
| 20 EQUALS Disposable personal income | 1,462.9 | 1,641.7 | 1,821.7 | 1,765.1 | 1,784.1 | 1,840.6 | 1,897.0 | 1,946.9 |
| 21 LESS Personal outlays | 1,386.6 | 1,555.5 | 1,720.4 | 1,678.7 | 1,674.1 | 1,729.2 | 1,799.4 | 1,854.7 |
| 22 EQUALS Personal saving | 76.3 | 86.2 | 101.3 | 86.4 | 110.0 | 111.4 | 97.6 | 92.2 |
| MISO | | | | | | | | |
| 23 Per capita (1972 dollars) | | | | | | | | |
| 24 Gross national product | 6,568 | 6,721 | 6,646 | 6,768 | 6,580 | 6,597 | 6,641 | 6,762 |
| 25 Personal consumption expenditures | 4,136 | 4,219 | 4,196 | 4,251 | 4,134 | 4,172 | 4,232 | 4,274 |
| 26 Disposable personal income | 4,487 | 4,584 | 4,571 | 4,600 | 4,532 | 4,565 | 4,585 | 4,609 |
| Saving rate (percent) | 5.2 | 5.2 | 5.6 | 4.9 | 6.2 | 6.1 | 5.1 | 4.7 |
| GROSS SAVING | | | | | | | | |
| 27 Gross saving | 355.2 | 412.0 | 401.9 | 404.5 | 394.5 | 402.0 | 406.7 | 446.0 |
| 28 Gross private saving | 355.4 | 398.9 | 432.9 | 413.0 | 435.9 | 446.5 | 436.4 | 451.3 |
| 29 Personal saving | 76.3 | 86.2 | 101.3 | 86.4 | 110.0 | 111.4 | 97.6 | 92.2 |
| 30 Undistributed corporate profits ¹ | 57.9 | 59.1 | 44.3 | 52.1 | 42.1 | 42.8 | 40.4 | 52.6 |
| 31 Corporate inventory valuation adjustment | 24.3 | -42.6 | 45.7 | 61.4 | 31.1 | 41.7 | 48.4 | 39.2 |
| Capital consumption allowances | | | | | | | | |
| 32 Corporate | 136.4 | 155.4 | 175.4 | 167.1 | 173.0 | 178.4 | 183.2 | 187.5 |
| 33 Noncorporate | 84.8 | 98.2 | 111.8 | 107.4 | 110.7 | 113.4 | 115.8 | 119.0 |
| 34 Wage accruals less disbursements | 0 | 0 | 0 | 0 | 0 | 5 | -5 | 0 |
| 35 Government surplus, or deficit (-), national income and product accounts | -0.2 | 11.9 | 32.1 | 1.7 | 29.6 | 45.6 | -30.8 | 6.4 |
| 36 Federal | 29.2 | 14.8 | 61.2 | 36.3 | 66.5 | 74.2 | 67.9 | 44.4 |
| 37 State and local | 29.0 | 26.7 | 29.1 | 26.6 | 23.9 | 28.6 | 37.1 | 37.9 |
| 38 Capital grants received by the United States, net | 0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 |
| 39 Gross investment | 361.6 | 414.1 | 401.2 | 407.3 | 392.5 | 405.0 | 400.1 | 451.7 |
| 40 Gross private domestic | 375.3 | 415.8 | 395.3 | 415.6 | 390.9 | 377.1 | 397.7 | 435.4 |
| 41 Net foreign | 13.8 | 1.7 | 5.9 | 8.3 | 1.7 | 27.8 | 2.3 | 16.2 |
| 42 Statistical discrepancy | 6.4 | 2.2 | -7.7 | 2.8 | -1.9 | 3.0 | -6.6 | 5.6 |

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

SOURCE: Survey of Current Business (Department of Commerce)

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

| Item credits or debits | 1978 | 1979 | 1980 ^p | 1979 | 1980 | | | |
|---|----------|----------|-------------------|---------|---------|---------|---------|-----------------|
| | | | | Q4 | Q1 | Q2 | Q3 | Q4 ^p |
| 1 Balance on current account | -14,259 | -705 | 118 | -1,735 | -2,621 | -2,441 | 4,493 | 687 |
| 2 Not seasonally adjusted | | | | 553 | -2,426 | -681 | 102 | 3,123 |
| 3 Merchandise trade balance ² | -33,759 | -29,386 | -27,354 | -9,158 | -10,848 | -7,503 | 2,858 | -6,145 |
| 4 Merchandise exports | 142,054 | 182,068 | 221,781 | 50,239 | 54,604 | 54,605 | 56,181 | 56,391 |
| 5 Merchandise imports | -175,813 | -211,454 | -249,135 | -59,397 | -65,452 | -62,108 | -59,039 | -62,536 |
| 6 Military transactions, net | 886 | -1,274 | -3,309 | -700 | -922 | -994 | -636 | -758 |
| 7 Investment income, net ³ | 20,899 | 32,509 | 32,534 | 8,833 | 10,062 | 6,102 | 8,056 | 8,316 |
| 8 Other service transactions, net | 2,769 | 3,112 | 5,206 | 792 | 899 | 1,280 | 1,458 | 1,570 |
| 9 Remittances, pensions, and other transfers | -1,884 | -2,142 | -2,452 | -665 | -565 | -564 | -578 | -747 |
| 10 U.S. government grants (excluding military) | -3,171 | -3,524 | -4,506 | -887 | -1,247 | -762 | -949 | -1,549 |
| 11 Change in U.S. government assets, other than official reserve assets, net (increase, -) | -4,644 | -3,783 | -5,111 | -925 | -1,467 | -1,191 | -1,374 | -1,079 |
| 12 Change in U.S. official reserve assets (increase, -) | 732 | -1,132 | -8,155 | -649 | -3,268 | 502 | -1,109 | -4,279 |
| 13 Gold | -65 | -65 | 0 | -65 | 0 | 0 | 0 | 0 |
| 14 Special drawing rights (SDRs) | 1,269 | -1,136 | -16 | 0 | -1,152 | 112 | -261 | 1,285 |
| 15 Reserve position in International Monetary Fund | 4,231 | 287 | -1,667 | 27 | -34 | -99 | -294 | -1,240 |
| 16 Foreign currencies | -4,683 | -159 | -6,472 | -611 | -2,082 | 489 | -554 | -4,324 |
| 17 Change in U.S. private assets abroad (increase, -) ³ | -57,279 | -56,858 | -71,236 | -11,918 | -7,971 | -25,019 | -16,652 | -21,409 |
| 18 Bank-reported claims | -33,631 | -25,868 | -46,608 | -7,213 | -274 | -21,051 | -12,268 | -13,015 |
| 19 Nonbank-reported claims | -3,853 | -2,029 | n.a. | 410 | -1,474 | 147 | 479 | n.a. |
| 20 U.S. purchase of foreign securities, net | -3,450 | -4,643 | -3,188 | -986 | -765 | -1,246 | -805 | -371 |
| 21 U.S. direct investments abroad, net ³ | -16,345 | -24,318 | -20,592 | -4,129 | -5,458 | -2,869 | -4,058 | -8,207 |
| 22 Change in foreign official assets in the United States (increase, +) | 33,292 | -14,270 | 16,179 | -1,221 | -7,215 | 7,775 | 7,991 | 7,628 |
| 23 U.S. Treasury securities | 23,523 | -22,356 | 9,640 | -5,769 | -5,357 | 4,314 | 3,769 | 6,914 |
| 24 Other U.S. government obligations | 666 | 465 | 2,187 | 41 | 801 | 250 | 549 | 587 |
| 25 Other U.S. government liabilities ⁴ | 2,220 | -714 | 1,375 | -924 | 181 | 737 | 242 | 215 |
| 26 Other U.S. liabilities reported by U.S. banks | 5,488 | 7,219 | -84 | 4,881 | -3,185 | 1,652 | 2,006 | -557 |
| 27 Other foreign official assets ⁵ | 1,395 | 1,116 | 3,061 | 550 | 345 | 822 | 1,425 | 469 |
| 28 Change in foreign private assets in the United States (increase, +) ³ | 30,804 | 51,845 | 31,446 | 5,246 | 14,409 | 174 | 3,772 | 13,092 |
| 29 U.S. bank-reported liabilities | 16,259 | 32,668 | 10,687 | 400 | 6,355 | -4,208 | 194 | 8,346 |
| 30 U.S. nonbank-reported liabilities | 1,640 | 1,692 | n.a. | 1,050 | 683 | 1,331 | 405 | n.a. |
| 31 Foreign private purchases of U.S. Treasury securities, net | 2,197 | 4,830 | 2,693 | 920 | 3,278 | -1,225 | -254 | 894 |
| 32 Foreign purchases of other U.S. securities, net | 2,811 | 2,942 | 7,443 | 313 | 2,427 | 1,194 | 990 | 2,832 |
| 33 Foreign direct investments in the United States, net ³ | 7,896 | 9,713 | 8,204 | 2,563 | 1,666 | 3,082 | 2,437 | 1,020 |
| 34 Allocation of SDRs | 0 | 1,139 | 1,152 | 0 | 1,152 | 0 | 0 | 0 |
| 35 Discrepancy | 11,354 | 23,765 | 35,605 | 11,202 | 6,981 | 20,200 | 2,879 | 5,544 |
| 36 Owing to seasonal adjustments | | | | 2,400 | -93 | 1,465 | -4,032 | 2,658 |
| 37 Statistical discrepancy in recorded data before seasonal adjustment | 11,354 | 23,765 | 35,605 | 8,802 | 7,074 | 18,735 | 6,911 | 2,886 |
| MEMO: | | | | | | | | |
| 38 Changes in official assets | | | | | | | | |
| U.S. official reserve assets (increase, -) | 732 | -1,132 | -8,155 | -649 | -3,268 | 502 | -1,109 | -4,279 |
| 39 Foreign official assets in the United States (increase, +) | 31,072 | -13,556 | 14,804 | -297 | -7,396 | 7,038 | 7,749 | 7,415 |
| 40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above) | -1,137 | 5,558 | 12,985 | 5,005 | 2,955 | 4,749 | 4,391 | 890 |
| 41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above) | 236 | 305 | 635 | 139 | 144 | 155 | 125 | 211 |

1. Seasonal factors are no longer calculated for lines 12 through 41.
2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.
3. Includes reinvested earnings of incorporated affiliates.

4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.
5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

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

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

| Item | 1978 | 1979 | 1980 | 1980 | | | 1981 | | | |
|---|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments | 143,682 | 181,860 | 220,684 | 19,214 | 18,715 | 19,251 | 18,825 | 19,764 | 21,434 | 19,818 |
| 2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses | 174,759 | 209,458 | 245,010 | 20,347 | 19,860 | 21,436 | 23,194 | 21,922 | 20,949 | 22,289 |
| 3 Trade balance | -31,075 | -27,598 | -24,326 | -1,134 | -1,145 | -2,185 | -4,369 | -2,158 | 485 | -2,471 |

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

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service

account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada and other transactions; military payments are excluded and shown separately as indicated above.

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

| Type | 1978 | 1979 | 1980 | 1980 | | 1981 | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|
| | | | | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May ^p |
| 1 Total ¹ | 18,650 | 18,956 | 26,756 | 25,673 | 26,756 | 28,316 | 29,682 | 30,410 | 29,693 | 29,395 |
| 2 Gold stock, including Exchange Stabilization Fund ¹ | 11,671 | 11,172 | 11,160 | 11,162 | 11,160 | 11,159 | 11,156 | 11,154 | 11,154 | 11,154 |
| 3 Special drawing rights ^{2,3} | 1,558 | 2,724 | 2,610 | 3,954 | 2,610 | 3,628 | 3,633 | 3,913 | 3,712 | 3,652 |
| 4 Reserve position in International Monetary Fund ² | 1,047 | 1,253 | 2,852 | 1,822 | 2,852 | 2,867 | 3,110 | 3,448 | 3,576 | 3,690 |
| 5 Foreign currencies ^{4,5} | 4,374 | 3,807 | 10,134 | 8,735 | 10,134 | 10,662 | 11,783 | 11,895 | 11,251 | 10,899 |

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.22.

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

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

4. Beginning November 1978, valued at current market exchange rates.

5. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies, if any.

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

Millions of dollars, end of period

| Asset account | 1977 | 1978 ¹ | 1979 | 1980 | | | | 1981 | | |
|---|----------------|-------------------|----------------|----------------|-----------------------------|-----------------------------|------------------|------------------|----------------|------------------|
| | | | | Sept | Oct | Nov | Dec ² | Jan ³ | Feb | Mar ⁴ |
| All foreign countries | | | | | | | | | | |
| 1 Total, all currencies | 258,897 | 306,795 | 364,233 | 385,884 | 383,356⁵ | 389,184⁶ | 397,233 | 395,156 | 399,143 | 408,362 |
| 2 Claims on United States | 11,623 | 17,340 | 32,302 | 29,341 | 30,476 | 30,617 | 28,459 | 29,517 | 31,995 | 30,441 |
| 3 Parent bank | 7,806 | 12,811 | 25,929 | 19,685 | 21,440 | 22,254 | 20,202 | 20,658 | 21,442 | 18,967 |
| 4 Other | 3,817 | 4,529 | 6,373 | 9,656 | 9,036 | 8,363 | 8,257 | 8,859 | 10,553 | 11,474 |
| 5 Claims on foreigners | 238,848 | 278,135 | 317,175 | 339,204 | 335,623 ⁷ | 340,848 ⁸ | 350,993 | 348,219 | 349,292 | 359,772 |
| 6 Other branches of parent bank | 55,772 | 70,338 | 79,661 | 73,856 | 72,477 ⁹ | 74,062 ¹⁰ | 76,552 | 75,309 | 75,268 | 77,395 |
| 7 Banks | 91,883 | 103,111 | 123,413 | 139,902 | 138,296 ¹¹ | 139,977 ¹² | 144,627 | 144,464 | 145,825 | 150,252 |
| 8 Public borrowers ² | 14,634 | 23,737 | 26,072 | 26,740 | 26,548 | 26,935 | 27,626 | 27,583 | 27,938 | 28,487 |
| 9 Nonbank foreigners | 76,560 | 80,949 | 88,029 | 98,706 | 98,302 ¹³ | 99,874 ¹⁴ | 102,188 | 100,863 | 100,261 | 103,638 |
| 10 Other assets | 8,425 | 11,320 | 14,756 | 17,339 | 17,257 ¹⁵ | 17,719 ¹⁶ | 17,781 | 17,420 | 17,856 | 18,149 |
| 11 Total payable in U.S. dollars | 193,764 | 224,940 | 267,711 | 282,171 | 279,827¹⁷ | 284,401¹⁸ | 289,860 | 291,900 | 296,339 | 302,564 |
| 12 Claims on United States | 11,049 | 16,382 | 31,171 | 28,138 | 29,059 | 29,173 | 27,190 | 28,261 | 30,741 | 29,248 |
| 13 Parent bank | 7,692 | 12,625 | 25,632 | 19,414 | 21,043 | 21,853 | 19,896 | 20,366 | 21,189 | 18,752 |
| 14 Other | 3,357 | 3,757 | 5,539 | 8,724 | 8,016 | 7,320 | 7,294 | 7,895 | 9,552 | 10,496 |
| 15 Claims on foreigners | 178,896 | 203,498 | 229,118 | 245,588 | 242,152 ¹⁹ | 246,363 ²⁰ | 253,451 | 254,113 | 255,704 | 263,235 |
| 16 Other branches of parent bank | 44,256 | 55,408 | 61,525 | 56,603 | 55,249 ²¹ | 57,238 ²² | 58,273 | 58,553 | 57,700 | 59,648 |
| 17 Banks | 70,786 | 78,686 | 96,261 | 111,878 | 109,438 ²³ | 110,799 ²⁴ | 115,984 | 116,677 | 118,181 | 121,169 |
| 18 Public borrowers ² | 12,632 | 19,567 | 21,629 | 22,305 | 22,578 | 22,846 | 23,398 | 23,190 | 23,479 | 23,796 |
| 19 Nonbank foreigners | 51,222 | 49,837 | 49,703 | 54,802 | 54,887 ²⁵ | 55,480 ²⁶ | 55,796 | 56,693 | 56,344 | 58,442 |
| 20 Other assets | 3,820 | 5,060 | 7,422 | 8,445 | 8,616 ²⁷ | 8,865 ²⁸ | 9,219 | 9,526 | 9,894 | 10,081 |
| United Kingdom | | | | | | | | | | |
| 21 Total, all currencies | 90,933 | 106,593 | 130,873 | 137,447 | 138,158 | 140,715 | 142,781 | 143,609 | 144,793 | 145,459 |
| 22 Claims on United States | 4,341 | 5,370 | 11,117 | 8,022 | 8,216 | 8,771 | 7,508 | 7,727 | 9,211 | 9,413 |
| 23 Parent bank | 3,518 | 4,448 | 9,338 | 5,788 | 5,969 | 6,552 | 5,275 | 5,278 | 6,471 | 6,405 |
| 24 Other | 823 | 922 | 1,779 | 2,234 | 2,247 | 2,219 | 2,233 | 2,449 | 2,740 | 3,008 |
| 25 Claims on foreigners | 84,016 | 98,137 | 115,123 | 123,369 | 123,854 | 125,859 | 129,232 | 130,174 | 129,646 | 129,992 |
| 26 Other branches of parent bank | 22,017 | 27,830 | 34,291 | 30,858 | 31,431 | 32,267 | 34,538 | 35,136 | 35,406 | 34,583 |
| 27 Banks | 39,899 | 45,013 | 51,343 | 57,066 | 56,723 | 57,423 | 57,658 | 58,489 | 58,554 | 58,714 |
| 28 Public borrowers ² | 2,206 | 4,522 | 4,919 | 6,251 | 6,113 | 6,405 | 6,684 | 6,620 | 6,626 | 6,929 |
| 29 Nonbank foreigners | 19,895 | 20,772 | 24,570 | 29,194 | 29,587 | 29,764 | 30,352 | 29,929 | 29,060 | 29,766 |
| 30 Other assets | 2,576 | 3,086 | 4,633 | 6,056 | 6,088 | 6,085 | 6,041 | 5,708 | 5,936 | 6,054 |
| 31 Total payable in U.S. dollars | 66,635 | 75,860 | 94,287 | 94,784 | 95,287 | 97,246 | 98,913 | 101,038 | 103,048 | 102,933 |
| 32 Claims on United States | 4,100 | 5,113 | 10,746 | 7,656 | 7,647 | 8,233 | 7,115 | 7,304 | 8,765 | 9,001 |
| 33 Parent bank | 3,431 | 4,386 | 9,297 | 5,744 | 5,817 | 6,410 | 5,229 | 5,221 | 6,418 | 6,381 |
| 34 Other | 669 | 727 | 1,994 | 1,912 | 1,830 | 1,823 | 1,886 | 2,083 | 2,347 | 2,620 |
| 35 Claims on foreigners | 61,408 | 69,416 | 81,294 | 84,355 | 84,849 | 86,246 | 88,950 | 90,682 | 91,204 | 90,696 |
| 36 Other branches of parent bank | 18,947 | 22,838 | 28,928 | 24,913 | 25,593 | 26,710 | 28,231 | 28,768 | 28,946 | 28,132 |
| 37 Banks | 28,530 | 31,482 | 36,760 | 40,917 | 40,312 | 40,542 | 41,373 | 42,887 | 42,751 | 42,609 |
| 38 Public borrowers ² | 1,669 | 3,317 | 3,319 | 4,663 | 4,551 | 4,706 | 4,909 | 4,816 | 4,930 | 5,168 |
| 39 Nonbank foreigners | 12,263 | 11,779 | 12,287 | 13,862 | 14,393 | 14,288 | 14,437 | 14,211 | 14,577 | 14,787 |
| 40 Other assets | 1,126 | 1,331 | 2,247 | 2,773 | 2,791 | 2,767 | 2,848 | 3,052 | 3,079 | 3,236 |
| Bahamas and Caymans | | | | | | | | | | |
| 41 Total, all currencies | 79,052 | 91,735 | 108,977 | 123,179 | 119,524 | 119,367 | 123,837 | 123,460 | 124,809 | 127,801 |
| 42 Claims on United States | 5,782 | 9,635 | 19,124 | 18,305 | 19,656 | 18,325 | 17,751 | 18,370 | 19,150 | 17,547 |
| 43 Parent bank | 3,051 | 6,429 | 15,196 | 11,839 | 13,837 | 13,071 | 12,631 | 12,842 | 12,417 | 10,216 |
| 44 Other | 2,731 | 3,206 | 3,928 | 6,466 | 5,819 | 5,254 | 5,120 | 5,528 | 6,733 | 7,331 |
| 45 Claims on foreigners | 71,671 | 79,774 | 86,718 | 100,905 | 95,959 | 96,800 | 101,926 | 100,792 | 101,199 | 105,771 |
| 46 Other branches of parent bank | 11,120 | 12,904 | 9,689 | 14,724 | 13,076 | 13,118 | 13,315 | 12,956 | 11,998 | 13,803 |
| 47 Banks | 27,939 | 33,677 | 43,189 | 52,749 | 49,900 | 50,626 | 54,888 | 54,252 | 55,280 | 57,065 |
| 48 Public borrowers ² | 9,109 | 11,514 | 12,905 | 12,078 | 12,441 | 12,213 | 12,577 | 12,558 | 12,605 | 12,579 |
| 49 Nonbank foreigners | 23,503 | 21,679 | 20,935 | 21,354 | 20,542 | 20,843 | 21,146 | 21,026 | 21,316 | 22,324 |
| 50 Other assets | 1,599 | 2,326 | 3,135 | 3,969 | 3,909 | 4,242 | 4,160 | 4,298 | 4,460 | 4,483 |
| 51 Total payable in U.S. dollars | 73,987 | 85,417 | 102,368 | 117,245 | 113,683 | 113,560 | 117,654 | 117,549 | 119,007 | 121,953 |

For notes see opposite page

3.13 Continued

| Liability account | 1977 | 1978 ¹ | 1979 | 1980 | | | | 1981 | | |
|--|----------------|-------------------|----------------|---------------------|----------------------------|----------------------------|-------------------|------------------|----------------|-------------------|
| | | | | Sept | Oct | Nov | Dec. ^r | Jan ^r | Feb | Mar. ^p |
| All foreign countries | | | | | | | | | | |
| 52 Total, all currencies | 285,897 | 306,795 | 364,233 | 385,884 | 383,356^r | 389,184^r | 397,233 | 395,156 | 399,143 | 408,362 |
| 53 To United States | 44,154 | 58,012 | 66,686 | 84,068 | 84,161 ^r | 86,589 ^r | 90,942 | 92,186 | 90,524 | 97,671 |
| 54 Parent bank | 24,542 | 28,654 | 24,530 | 38,456 ^r | 37,184 ^r | 36,956 ^r | 39,135 | 38,478 | 36,212 | 42,977 |
| 55 Other banks in United States | 19,613 | 12,169 | 13,968 | 12,669 ^r | 12,872 ^r | 13,420 ^r | 14,473 | 13,590 | 13,988 | 14,372 |
| 56 Nonbanks | 17,189 | 17,189 | 28,188 | 32,943 | 34,105 | 36,213 | 37,289 | 40,118 | 40,324 | 40,322 |
| 57 To foreigners | 206,579 | 238,912 | 283,344 | 287,810 | 285,366 ^r | 288,385 ^r | 291,780 | 288,797 | 294,811 | 296,501 |
| 58 Other branches of parent bank | 53,244 | 67,496 | 77,601 | 70,689 | 69,766 ^r | 71,554 ^r | 73,938 | 72,729 | 73,434 | 74,986 |
| 59 Banks | 94,140 | 97,711 | 122,849 | 131,022 | 132,195 ^r | 132,281 ^r | 130,654 | 132,517 | 134,531 | 133,593 |
| 60 Official institutions | 28,110 | 31,936 | 35,664 | 33,086 | 30,722 ^r | 31,145 ^r | 32,440 | 28,870 | 28,529 | 29,819 |
| 61 Nonbank foreigners | 31,085 | 41,769 | 47,230 | 53,013 | 52,673 ^r | 53,405 ^r | 54,748 | 54,681 | 58,317 | 58,103 |
| 62 Other liabilities | 8,163 | 9,871 | 14,203 | 14,006 | 13,829 ^r | 14,210 ^r | 14,556 | 14,173 | 13,808 | 14,190 |
| 63 Total payable in U.S. dollars. | 198,572 | 230,810 | 273,819 | 289,163 | 287,318^r | 292,549^r | 300,988 | 302,443 | 306,832 | 313,413 |
| 64 To United States | 42,881 | 55,811 | 64,530 | 81,125 | 81,255 | 83,764 | 88,123 | 89,640 | 88,164 | 95,321 |
| 65 Parent bank | 24,213 | 27,519 | 23,403 | 36,791 ^r | 35,419 ^r | 35,233 ^r | 37,496 | 36,903 | 34,794 | 41,527 |
| 66 Other banks in United States | 18,669 | 11,915 | 13,771 | 12,444 ^r | 12,593 ^r | 13,124 ^r | 14,203 | 13,416 | 14,235 | 14,235 |
| 67 Nonbanks | 16,377 | 16,377 | 27,356 | 31,890 | 33,243 | 35,407 | 36,424 | 39,321 | 39,613 | 39,559 |
| 68 To foreigners | 151,363 | 169,927 | 201,476 | 200,281 | 198,682 ^r | 200,937 ^r | 204,697 | 204,575 | 210,130 | 209,261 |
| 69 Other branches of parent bank | 43,268 | 53,396 | 60,513 | 55,146 | 53,780 ^r | 55,599 ^r | 56,965 | 56,629 | 56,634 | 58,344 |
| 70 Banks | 64,872 | 63,000 | 80,691 | 85,387 | 86,994 ^r | 86,556 ^r | 86,596 | 89,095 | 91,412 | 87,478 |
| 71 Official institutions | 23,972 | 26,404 | 29,048 | 25,659 | 23,373 ^r | 23,870 ^r | 24,691 | 21,842 | 21,894 | 23,109 |
| 72 Nonbank foreigners | 19,251 | 27,127 | 31,224 | 34,089 | 34,535 ^r | 34,912 ^r | 36,445 | 37,009 | 40,190 | 40,330 |
| 73 Other liabilities | 4,328 | 5,072 | 7,813 | 7,757 | 7,381 | 7,848 ^r | 8,168 | 8,228 | 8,538 | 8,831 |
| United Kingdom | | | | | | | | | | |
| 74 Total, all currencies | 90,933 | 106,593 | 130,873 | 137,447 | 138,158 | 140,715 | 142,781 | 143,609 | 144,793 | 145,459 |
| 75 To United States | 7,753 | 9,730 | 20,986 | 19,343 | 19,157 | 20,594 | 21,735 | 23,226 | 22,783 | 24,376 |
| 76 Parent bank | 1,451 | 1,887 | 3,104 | 2,951 | 2,712 | 3,198 | 4,176 | 4,228 | 3,190 | 4,242 |
| 77 Other banks in United States | 6,302 | 4,189 | 7,693 | 5,361 | 5,800 | 5,732 | 5,716 | 5,436 | 5,869 | 5,519 |
| 78 Nonbanks | 3,654 | 3,654 | 10,189 | 11,031 | 10,645 | 11,664 | 11,843 | 13,562 | 13,724 | 14,615 |
| 79 To foreigners | 80,736 | 93,202 | 104,032 | 112,412 | 113,539 | 114,813 | 115,582 | 115,236 | 116,927 | 115,816 |
| 80 Other branches of parent bank | 9,376 | 12,786 | 12,567 | 13,706 | 13,940 | 13,951 | 13,933 | 13,734 | 13,422 | 13,913 |
| 81 Banks | 37,893 | 39,917 | 47,620 | 53,776 | 56,772 | 58,127 | 55,928 | 57,371 | 57,505 | 56,110 |
| 82 Official institutions | 18,318 | 20,963 | 24,202 | 22,444 | 19,807 | 20,437 | 21,412 | 19,199 | 19,607 | 19,765 |
| 83 Nonbank foreigners | 15,149 | 19,536 | 19,643 | 22,486 | 23,020 | 22,298 | 24,309 | 24,932 | 26,393 | 26,028 |
| 84 Other liabilities | 2,445 | 3,661 | 5,855 | 5,692 | 5,462 | 5,308 | 5,464 | 5,147 | 5,083 | 5,267 |
| 85 Total payable in U.S. dollars | 67,573 | 77,030 | 95,449 | 96,832 | 97,055 | 99,135 | 102,300 | 104,123 | 106,448 | 106,636 |
| 86 To United States | 7,480 | 9,328 | 20,552 | 18,687 | 18,551 | 19,978 | 21,080 | 22,597 | 22,245 | 23,929 |
| 87 Parent bank | 1,416 | 1,836 | 3,054 | 2,892 | 2,634 | 3,101 | 4,078 | 4,126 | 3,132 | 4,160 |
| 88 Other banks in United States | 6,064 | 4,101 | 7,651 | 5,259 | 5,714 | 5,616 | 5,626 | 5,343 | 5,757 | 5,487 |
| 89 Nonbanks | 3,391 | 3,391 | 9,847 | 10,536 | 10,203 | 11,261 | 11,376 | 13,128 | 13,356 | 14,282 |
| 90 To foreigners | 58,977 | 66,216 | 72,397 | 75,422 | 76,114 | 76,696 | 78,512 | 78,768 | 81,100 | 79,501 |
| 91 Other branches of parent bank | 7,505 | 9,635 | 8,446 | 9,588 | 9,891 | 9,770 | 9,600 | 9,591 | 9,184 | 9,297 |
| 92 Banks | 25,608 | 25,287 | 29,424 | 32,891 | 35,495 | 35,998 | 35,177 | 36,463 | 37,014 | 34,553 |
| 93 Official institutions | 15,482 | 17,091 | 20,192 | 18,046 | 15,338 | 15,989 | 17,024 | 14,941 | 15,420 | 15,738 |
| 94 Nonbank foreigners | 10,382 | 14,203 | 14,335 | 14,897 | 15,390 | 14,939 | 16,711 | 17,773 | 19,482 | 19,913 |
| 95 Other liabilities | 1,116 | 1,486 | 2,500 | 2,723 | 2,390 | 2,461 | 2,708 | 2,758 | 3,103 | 3,206 |
| Bahamas and Caymans | | | | | | | | | | |
| 96 Total, all currencies | 79,052 | 91,735 | 108,977 | 123,179 | 119,524 | 119,367 | 123,837 | 123,460 | 124,809 | 127,801 |
| 97 To United States | 32,176 | 39,431 | 37,719 | 56,317 | 56,123 | 56,860 | 59,666 | 58,928 | 58,607 | 64,159 |
| 98 Parent bank | 20,956 | 20,482 | 15,267 | 29,321 ^r | 27,666 ^r | 26,861 ^r | 28,181 | 26,563 | 26,222 | 31,833 |
| 99 Other banks in United States | 11,220 | 6,073 | 5,204 | 6,109 ^r | 5,957 ^r | 6,528 ^r | 7,379 | 7,126 | 7,165 | 7,883 |
| 100 Nonbanks | 12,876 | 12,876 | 17,248 | 20,887 | 22,500 | 23,471 | 24,106 | 25,239 | 25,220 | 24,443 |
| 101 To foreigners | 45,292 | 50,447 | 68,598 | 63,966 | 60,593 | 59,492 | 61,218 | 61,597 | 63,323 | 60,737 |
| 102 Other branches of parent bank | 12,816 | 16,094 | 20,875 | 17,079 | 16,720 | 15,878 | 17,040 | 17,819 | 18,781 | 17,370 |
| 103 Banks | 24,717 | 23,104 | 33,631 | 32,185 | 29,202 | 28,933 | 29,895 | 30,050 | 30,289 | 28,602 |
| 104 Official institutions | 3,000 | 4,208 | 4,866 | 4,250 | 4,610 | 4,368 | 4,361 | 4,204 | 3,663 | 4,403 |
| 105 Nonbank foreigners | 4,759 | 7,041 | 9,226 | 10,452 | 10,061 | 10,313 | 9,922 | 9,524 | 10,590 | 10,362 |
| 106 Other liabilities | 1,584 | 1,857 | 2,660 | 2,896 | 2,808 | 3,015 | 2,953 | 2,935 | 2,879 | 2,905 |
| 107 Total payable in U.S. dollars | 74,463 | 87,014 | 103,460 | 118,576 | 115,166 | 115,121 | 119,657 | 119,214 | 120,714 | 123,785 |

1. In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.

2. In May 1978 a broader category of claims on foreign public borrowers, in-

cluding corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

| Item | 1978 | 1979 | 1980 | 1980 | | | | 1981 | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. P |
| 1 Total ¹ | 162,625 | 149,546 | 164,402 | 156,894 | 157,376 | 163,212 | 164,402 | 162,778 | 162,384 | 169,732 |
| <i>By type</i> | | | | | | | | | | |
| 2 Liabilities reported by banks in the United States ² | 23,326 | 30,540 | 30,381 | 30,841 | 28,734 | 29,546 | 30,381 | 27,008 | 24,864 | 27,372 |
| 3 U.S. Treasury bills and certificates ³ | 67,671 | 47,666 | 56,243 | 49,361 | 50,392 | 55,104 | 56,243 | 56,522 | 56,829 | 60,306 |
| U.S. Treasury bonds and notes | | | | | | | | | | |
| 4 Marketable..... | 35,894 | 37,590 | 41,431 | 40,801 | 41,465 | 41,765 | 41,431 | 42,295 | 43,699 | 44,783 |
| 5 Nonmarketable ⁴ | 20,970 | 17,387 | 14,654 | 15,254 | 15,254 | 15,254 | 14,654 | 14,654 | 14,494 | 14,294 |
| 6 U.S. securities other than U.S. Treasury securities ⁵ | 14,764 | 16,363 | 21,693 | 20,637 | 21,531 | 21,543 | 21,693 | 22,299 | 22,498 | 22,977 |
| <i>By area</i> | | | | | | | | | | |
| 7 Western Europe ¹ | 93,089 | 85,633 | 81,592 | 76,967 | 75,989 | 80,884 | 81,592 | 80,434 | 78,334 | 79,986 |
| 8 Canada..... | 2,486 | 1,898 | 1,562 | 1,901 | 1,670 | 1,393 | 1,562 | 1,174 | 1,089 | 1,437 |
| 9 Latin America and Caribbean..... | 5,046 | 6,291 | 5,688 | 6,606 | 6,008 | 5,722 | 5,688 | 5,456 | 5,241 | 6,366 |
| 10 Asia..... | 58,854 | 52,827 | 70,608 | 67,671 | 69,114 | 70,097 | 70,608 | 70,557 | 72,667 | 76,702 |
| 11 Africa..... | 2,408 | 2,412 | 4,123 | 3,232 | 3,520 | 3,866 | 4,123 | 3,973 | 3,948 | 4,089 |
| 12 Other countries ⁶ | 742 | 485 | 829 | 517 | 1,077 | 1,250 | 829 | 1,184 | 1,105 | 1,152 |

1. Includes the Bank for International Settlements.
 2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

6. Includes countries in Oceania and Eastern Europe.

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

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

Millions of dollars, end of period

| Item | 1977 | 1978 | 1979 | 1980 | | | | 1981 |
|--|-------|-------|-------|-------|-------|-------|-------|--------|
| | | | | Mar. | June | Sept. | Dec. | Mar. P |
| 1 Banks' own liabilities..... | 925 | 2,406 | 1,918 | 2,403 | 2,739 | 2,754 | 3,748 | 3,268 |
| 2 Banks' own claims ¹ | 2,356 | 3,671 | 2,419 | 2,772 | 2,874 | 3,203 | 4,206 | 4,238 |
| 3 Deposits..... | 941 | 1,795 | 994 | 1,212 | 1,090 | 1,169 | 2,507 | 1,697 |
| 4 Other claims..... | 1,415 | 1,876 | 1,425 | 1,560 | 1,784 | 2,035 | 1,699 | 2,542 |
| 5 Claims of banks' domestic customers ² | ... | 358 | 580 | 1,058 | 798 | 595 | 962 | 444 |

1. Includes claims of banks' domestic customers through March 1978.
 2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

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

3.16 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars
Millions of dollars, end of period

| Holder and type of liability | 1977 | 1978 | 1979 | 1980 | | | | 1981 | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|----------------|
| | | | | Sept | Oct | Nov | Dec | Jan | Feb | Mar # |
| 1 All foreigners | 126,168 | 166,842 | 187,521 | 191,149 | 196,030 | 204,792 | 205,295 | 202,359 | 201,195^r | 203,584 |
| 2 Banks' own liabilities | | 78,661 | 117,196 | 119,117 | 121,437 | 125,048 | 124,789 | 122,857 | 121,528 ^r | 120,293 |
| 3 Demand deposits | 18,996 | 19,218 | 23,303 | 22,344 | 22,460 | 22,847 | 23,462 | 22,149 | 23,300 ^r | 21,318 |
| 4 Time deposits ¹ | 11,521 | 12,427 | 13,623 | 14,104 | 14,113 | 14,647 | 15,076 | 15,898 | 15,778 ^r | 16,272 |
| 5 Other ² | | 9,705 | 16,453 | 18,112 | 17,181 | 17,097 | 17,581 | 14,685 | 13,476 ^r | 15,948 |
| 6 Own foreign offices ³ | | 37,311 | 63,817 | 64,557 | 67,683 | 70,458 | 68,670 | 70,125 | 68,973 ^r | 66,755 |
| 7 Banks' custody liabilities ⁴ | | 88,181 | 70,325 | 73,032 | 74,594 | 79,743 | 80,506 | 79,501 | 79,668 ^r | 83,291 |
| 8 U.S. Treasury bills and certificates ⁵ | 48,906 | 68,202 | 48,573 | 50,731 | 51,990 | 56,484 | 57,595 | 57,673 | 58,360 ^r | 62,073 |
| 9 Other negotiable and readily transferable instruments ⁶ | | 17,472 | 19,396 | 19,783 | 20,002 | 20,624 | 20,079 | 19,050 | 18,350 ^r | 18,375 |
| 10 Other | | 2,507 | 2,356 | 2,517 | 2,601 | 2,635 | 2,832 | 2,778 | 2,959 | 2,843 |
| 11 Nonmonetary international and regional organizations⁷ | 3,274 | 2,607 | 2,356 | 2,549 | 2,734 | 2,476 | 2,342 | 1,961 | 2,003 | 1,859 |
| 12 Banks' own liabilities | | 906 | 714 | 476 | 352 | 383 | 442 | 419 | 317 | 293 |
| 13 Demand deposits | 231 | 330 | 260 | 141 | 115 | 187 | 146 | 212 | 186 | 126 |
| 14 Time deposits ¹ | 139 | 84 | 151 | 100 | 95 | 92 | 85 | 71 | 76 | 67 |
| 15 Other ² | | 492 | 303 | 235 | 143 | 104 | 211 | 137 | 54 | 100 |
| 16 Banks' custody liabilities ⁴ | | 1,701 | 1,643 | 2,073 | 2,382 | 2,093 | 1,900 | 1,542 | 1,687 | 1,566 |
| 17 U.S. Treasury bills and certificates | 706 | 201 | 102 | 316 | 581 | 337 | 254 | 88 | 368 | 333 |
| 18 Other negotiable and readily transferable instruments ⁶ | | 1,499 | 1,538 | 1,757 | 1,800 | 1,756 | 1,646 | 1,453 | 1,319 | 1,233 |
| 19 Other | | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 Official institutions⁸ | 65,822 | 90,742 | 78,206 | 80,203 | 79,127 | 84,650 | 86,624 | 83,530 | 81,693^r | 87,678 |
| 21 Banks' own liabilities | | 12,165 | 18,292 | 18,466 | 16,101 | 16,842 | 17,826 | 15,222 | 13,938 ^r | 16,201 |
| 22 Demand deposits | 3,528 | 3,390 | 4,671 | 4,229 | 3,406 | 3,553 | 3,771 | 3,869 | 3,580 ^r | 3,338 |
| 23 Time deposits ¹ | 1,797 | 2,560 | 3,050 | 3,576 | 3,355 | 3,588 | 3,612 | 3,343 | 2,997 ^r | 2,920 |
| 24 Other ² | | 6,215 | 10,571 | 10,661 | 9,341 | 9,700 | 10,443 | 8,010 | 7,361 | 9,942 |
| 25 Banks' custody liabilities ⁴ | | 78,577 | 59,914 | 61,736 | 63,025 | 67,808 | 68,798 | 68,308 | 67,755 ^r | 71,477 |
| 26 U.S. Treasury bills and certificates ⁵ | 47,820 | 67,415 | 47,666 | 49,361 | 50,392 | 55,104 | 56,243 | 56,522 | 56,829 | 60,306 |
| 27 Other negotiable and readily transferable instruments ⁶ | | 10,992 | 12,196 | 12,312 | 12,577 | 12,648 | 12,501 | 11,756 | 10,894 ^r | 11,085 |
| 28 Other | | 170 | 52 | 63 | 55 | 56 | 54 | 30 | 32 | 86 |
| 29 Banks⁹ | 42,335 | 57,423 | 88,316 | 90,341 | 95,296 | 97,812 | 96,415 | 96,659 | 96,608^r | 93,065 |
| 30 Banks' own liabilities | | 52,626 | 83,299 | 85,093 | 89,931 | 91,932 | 90,456 | 90,594 | 90,319 ^r | 86,693 |
| 31 Unaffiliated foreign banks | | 15,315 | 19,482 | 20,536 | 22,248 | 21,474 | 21,786 | 20,469 | 21,346 ^r | 19,938 |
| 32 Demand deposits | 10,933 | 11,257 | 13,285 | 12,989 | 13,843 | 13,714 | 14,188 | 12,889 | 14,287 ^r | 12,595 |
| 33 Time deposits ¹ | 2,040 | 1,429 | 1,667 | 1,408 | 1,718 | 1,782 | 1,703 | 1,857 | 1,813 ^r | 2,324 |
| 34 Other ² | | 2,629 | 4,530 | 6,139 | 6,686 | 5,978 | 5,895 | 5,723 | 5,245 ^r | 5,019 |
| 35 Own foreign offices ³ | | 37,311 | 63,817 | 64,557 | 67,683 | 70,458 | 68,670 | 70,125 | 68,973 ^r | 66,755 |
| 36 Banks' custody liabilities ⁴ | | 4,797 | 5,017 | 5,248 | 5,365 | 5,880 | 5,959 | 6,065 | 6,289 ^r | 6,372 |
| 37 U.S. Treasury bills and certificates | 141 | 300 | 422 | 361 | 515 | 529 | 623 | 631 | 714 ^r | 826 |
| 38 Other negotiable and readily transferable instruments ⁶ | | 2,425 | 2,415 | 2,533 | 2,417 | 2,883 | 2,748 | 2,856 | 2,850 | 2,930 |
| 39 Other | | 2,072 | 2,179 | 2,354 | 2,434 | 2,467 | 2,588 | 2,578 | 2,726 ^r | 2,615 |
| 40 Other foreigners | 14,736 | 16,070 | 18,642 | 19,056 | 18,874 | 19,854 | 19,914 | 20,209 | 20,891^r | 20,982 |
| 41 Banks' own liabilities | | 12,964 | 14,891 | 15,081 | 15,052 | 15,892 | 16,065 | 16,623 | 16,955 ^r | 17,106 |
| 42 Demand deposits | 4,304 | 4,242 | 5,087 | 4,986 | 5,096 | 5,393 | 5,356 | 5,179 | 5,246 | 5,259 |
| 43 Time deposits | 7,546 | 8,353 | 8,755 | 9,020 | 8,945 | 9,184 | 9,676 | 10,628 | 10,892 ^r | 10,961 |
| 44 Other ² | | 368 | 1,048 | 1,076 | 1,011 | 1,315 | 1,033 | 815 | 816 ^r | 886 |
| 45 Banks' custody liabilities ⁴ | | 3,106 | 3,751 | 3,975 | 3,822 | 3,962 | 3,849 | 3,586 | 3,937 | 3,876 |
| 46 U.S. Treasury bills and certificates | 240 | 285 | 382 | 693 | 502 | 513 | 474 | 432 | 449 ^r | 607 |
| 47 Other negotiable and readily transferable instruments ⁶ | | 2,557 | 3,247 | 3,181 | 3,208 | 3,337 | 3,185 | 2,985 | 3,287 | 3,127 |
| 48 Other | | 264 | 123 | 100 | 112 | 112 | 190 | 170 | 201 ^r | 141 |
| 49 MEMO: Negotiable time certificates of deposit in custody for foreigners | | 11,007 | 10,984 | 10,729 | 10,799 | 10,553 | 10,745 | 10,267 | 9,868 | 9,801 |

1 Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments." Data for time deposits before April 1978 represent short-term only.

2 Includes borrowing under repurchase agreements.

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

4 Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

5 Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

6 Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

7 Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.

8 Foreign central banks and foreign central governments and the Bank for International Settlements.

9 Excludes central banks, which are included in "Official institutions."

3.16 Continued

| Area and country | 1977 | 1978 | 1979 | 1980 | | | | 1981 | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|------------------|
| | | | | Sept | Oct | Nov | Dec | Jan | Feb | Mar ^r |
| 1 Total | 126,168 | 166,842 | 187,521 | 192,149 | 196,030 | 204,792 | 205,295 | 202,359 | 201,195^r | 203,584 |
| 2 Foreign countries | 122,893 | 164,235 | 185,164 | 189,600 | 193,296 | 202,315 | 202,953 | 200,398 | 199,192^r | 201,724 |
| 3 Europe | 60,295 | 85,172 | 90,952 | 83,513 | 83,970 | 90,682 | 90,897 | 89,701 | 89,181 ^r | 91,419 |
| 4 Austria | 318 | 513 | 413 | 432 | 460 | 511 | 523 | 554 | 551 | 522 |
| 5 Belgium-Luxembourg | 2,531 | 2,580 | 2,375 | 3,696 | 3,322 | 3,696 | 4,019 | 4,062 | 4,782 ^r | 4,728 |
| 6 Denmark | 770 | 1,946 | 1,092 | 528 | 493 | 586 | 497 | 420 | 432 | 463 |
| 7 Finland | 323 | 346 | 398 | 311 | 307 | 363 | 455 | 264 | 355 | 332 |
| 8 France | 5,269 | 9,214 | 10,433 | 12,332 | 11,654 | 12,374 | 12,125 | 12,168 | 12,521 ^r | 12,972 |
| 9 Germany | 7,239 | 17,283 | 12,935 | 7,854 | 7,557 | 9,168 | 9,973 | 10,336 | 9,296 ^r | 12,280 |
| 10 Greece | 603 | 826 | 635 | 591 | 643 | 711 | 670 | 524 | 563 | 593 |
| 11 Italy | 6,857 | 7,739 | 7,782 | 5,969 | 6,796 | 7,308 | 7,572 | 6,743 | 5,987 ^r | 3,456 |
| 12 Netherlands | 2,869 | 2,402 | 2,337 | 2,540 | 2,555 | 2,783 | 2,441 | 2,568 | 2,540 ^r | 2,324 |
| 13 Norway | 944 | 1,271 | 1,267 | 1,074 | 1,381 | 1,444 | 1,344 | 899 | 1,037 ^r | 1,575 |
| 14 Portugal | 273 | 330 | 557 | 571 | 491 | 437 | 374 | 370 | 358 | 356 |
| 15 Spain | 619 | 870 | 1,259 | 1,321 | 1,520 | 1,379 | 1,500 | 1,416 | 1,388 | 1,631 |
| 16 Sweden | 2,712 | 3,121 | 2,005 | 1,826 | 1,813 | 1,807 | 1,737 | 1,365 | 2,078 | 2,406 |
| 17 Switzerland | 12,343 | 18,225 | 17,954 | 13,524 | 13,695 | 16,574 | 16,689 | 16,631 | 16,636 | 16,854 |
| 18 Turkey | 130 | 157 | 120 | 237 | 171 | 257 | 242 | 203 | 231 | 235 |
| 19 United Kingdom | 14,125 | 14,272 | 24,700 | 22,830 | 23,791 | 24,439 | 22,680 | 24,209 | 24,325 ^r | 24,715 |
| 20 Yugoslavia | 232 | 254 | 266 | 169 | 203 | 225 | 681 | 296 | 269 | 202 |
| 21 Other Western Europe ¹ | 1,804 | 3,440 | 4,070 | 7,275 | 6,865 | 6,140 | 6,939 | 6,225 | 5,385 | 5,377 |
| 22 U S S R | 98 | 82 | 52 | 39 | 33 | 64 | 68 | 46 | 84 | 47 |
| 23 Other Eastern Europe ² | 236 | 330 | 302 | 392 | 220 | 416 | 370 | 401 | 363 ^r | 352 |
| 24 Canada | 4,607 | 6,969 | 7,379 | 10,337 | 10,039 | 9,856 | 10,031 | 9,802 | 9,131 ^r | 8,624 |
| 25 Latin America and Caribbean | 23,670 | 31,638 | 49,686 | 48,945 | 52,501 | 53,308 | 53,170 | 53,229 | 52,275 ^r | 50,838 |
| 26 Argentina | 1,416 | 1,484 | 1,582 | 1,875 | 1,996 | 1,996 | 2,132 | 1,857 | 1,998 | 1,917 |
| 27 Bahamas | 3,596 | 6,752 | 15,255 | 14,096 | 17,567 | 16,803 | 16,381 | 16,164 | 15,916 ^r | 14,183 |
| 28 Bermuda | 321 | 428 | 430 | 677 | 595 | 555 | 670 | 475 | 804 | 921 |
| 29 Brazil | 1,396 | 1,125 | 1,005 | 1,222 | 1,342 | 1,248 | 1,216 | 1,339 | 1,266 | 1,152 |
| 30 British West Indies | 3,998 | 5,974 | 11,138 | 11,392 | 12,058 | 12,637 | 12,766 | 12,798 | 12,144 | 11,576 |
| 31 Chile | 360 | 398 | 468 | 431 | 448 | 456 | 460 | 501 | 431 | 549 |
| 32 Colombia | 1,221 | 1,756 | 2,617 | 2,916 | 3,037 | 2,962 | 3,077 | 3,085 | 3,087 | 2,970 |
| 33 Cuba | 6 | 13 | 5 | 5 | 5 | 6 | 6 | 6 | 7 | 6 |
| 34 Ecuador | 330 | 322 | 425 | 381 | 387 | 437 | 371 | 389 | 449 | 511 |
| 35 Guatemala ³ | | 416 | 414 | 373 | 365 | 359 | 367 | 428 | 461 | 446 |
| 36 Jamaica ³ | | 52 | 76 | 101 | 85 | 78 | 97 | 112 | 101 | 94 |
| 37 Mexico | 2,876 | 3,467 | 4,185 | 4,226 | 4,575 | 4,580 | 4,547 | 4,595 | 4,600 ^r | 4,755 |
| 38 Netherlands Antilles | 196 | 308 | 499 | 360 | 393 | 568 | 413 | 599 | 523 | 436 |
| 39 Panama | 2,331 | 2,967 | 4,483 | 3,894 | 3,595 | 4,575 | 4,718 | 4,460 | 3,984 ^r | 4,297 |
| 40 Peru | 287 | 363 | 383 | 355 | 380 | 345 | 403 | 401 | 447 | 344 |
| 41 Uruguay | 243 | 231 | 202 | 199 | 220 | 244 | 254 | 290 | 266 | 306 |
| 42 Venezuela | 2,929 | 3,821 | 4,192 | 4,405 | 3,659 | 3,662 | 3,170 | 3,794 | 3,925 | 4,218 |
| 43 Other Latin America and Caribbean | 2,167 | 1,760 | 2,318 | 2,035 | 1,793 | 1,796 | 2,123 | 1,936 | 1,869 | 2,159 |
| 44 Asia | 30,488 | 36,492 | 33,005 | 42,009 | 41,056 | 41,999 | 42,420 | 41,649 | 42,721 ^r | 44,764 |
| 45 China | | | | | | | | | | |
| 45 Mainland | 53 | 67 | 49 | 38 | 46 | 62 | 49 | 55 | 55 | 60 |
| 46 Taiwan | 1,013 | 502 | 1,393 | 1,595 | 1,610 | 1,636 | 1,662 | 1,821 | 1,733 | 1,822 |
| 47 Hong Kong | 1,094 | 1,256 | 1,672 | 2,347 | 2,304 | 2,410 | 2,548 | 2,764 | 3,054 | 2,440 |
| 48 India | 961 | 790 | 527 | 529 | 485 | 438 | 416 | 437 | 604 | 576 |
| 49 Indonesia | 410 | 449 | 504 | 827 | 811 | 715 | 730 | 1,170 | 678 | 1,063 |
| 50 Israel | 559 | 688 | 707 | 534 | 530 | 548 | 883 | 523 | 557 | 584 |
| 51 Japan | 14,616 | 21,927 | 8,907 | 15,434 | 15,372 | 15,720 | 16,281 | 17,701 | 17,990 ^r | 19,364 |
| 52 Korea | 602 | 795 | 993 | 1,994 | 1,809 | 1,764 | 1,528 | 1,498 | 1,485 | 1,382 |
| 53 Philippines | 687 | 644 | 795 | 817 | 842 | 803 | 919 | 849 | 1,057 ^r | 1,115 |
| 54 Thailand | 264 | 427 | 277 | 517 | 403 | 440 | 464 | 367 | 404 | 250 |
| 55 Middle-East oil-exporting countries ⁴ | 8,979 | 7,534 | 15,300 | 15,409 | 14,611 | 15,214 | 14,453 | 12,216 | 12,695 | 13,963 |
| 56 Other Asia | 1,250 | 1,414 | 1,879 | 1,968 | 2,232 | 2,250 | 2,487 | 2,249 | 2,409 | 2,143 |
| 57 Africa | 2,535 | 2,886 | 3,239 | 3,902 | 4,246 | 4,718 | 5,187 | 4,358 | 4,371 | 4,553 |
| 58 Egypt | 404 | 404 | 475 | 322 | 269 | 374 | 485 | 313 | 496 | 333 |
| 59 Morocco | 66 | 32 | 33 | 32 | 57 | 38 | 33 | 42 | 30 | 33 |
| 60 South Africa | 174 | 168 | 184 | 354 | 288 | 326 | 288 | 327 | 258 | 322 |
| 61 Zaïre | 39 | 43 | 110 | 42 | 36 | 34 | 57 | 48 | 58 | 28 |
| 62 Oil-exporting countries ⁵ | 1,155 | 1,525 | 1,635 | 2,459 | 2,911 | 3,211 | 3,540 | 2,921 | 2,833 | 3,084 |
| 63 Other Africa | 698 | 715 | 804 | 694 | 685 | 735 | 783 | 707 | 697 | 753 |
| 64 Other countries | 1,297 | 1,076 | 904 | 894 | 1,484 | 1,752 | 1,247 | 1,658 | 1,513 | 1,526 |
| 65 Australia | 1,140 | 838 | 684 | 613 | 1,190 | 1,419 | 950 | 1,304 | 1,205 | 1,287 |
| 66 All other | 158 | 239 | 220 | 281 | 294 | 333 | 297 | 354 | 307 | 240 |
| 67 Nonmonetary international and regional organizations | 3,274 | 2,607 | 2,356 | 2,549 | 2,734 | 2,476 | 2,342 | 1,961 | 2,003 | 1,859 |
| 68 International | 2,752 | 1,485 | 1,238 | 1,389 | 1,586 | 1,366 | 1,156 | 913 | 995 | 754 |
| 69 Latin American regional | 278 | 808 | 806 | 837 | 841 | 801 | 890 | 769 | 745 | 768 |
| 70 Other regional ⁶ | 245 | 314 | 313 | 323 | 307 | 309 | 296 | 279 | 263 | 338 |

1. Includes the Bank for International Settlements beginning April 1978; also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3. Included in "Other Latin America and Caribbean" through March 1978.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. Comprises Algeria, Gabon, Libya, and Nigeria.

6. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.17 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars

Millions of dollars, end of period

| Area and country | 1977 | 1978 | 1979 | 1980 | | | | 1981 | | |
|--|--------|---------|---------|---------|---------|---------|---------|---------|----------------------|---------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar p |
| 1 Total .. | 90,206 | 115,545 | 133,943 | 161,548 | 163,189 | 167,525 | 172,702 | 167,338 | 167,825 ^r | 179,404 |
| 2 Foreign countries | 90,163 | 115,488 | 133,906 | 161,510 | 163,144 | 167,487 | 172,624 | 167,266 | 167,746 ^r | 179,330 |
| 3 Europe .. | 18,114 | 24,201 | 28,388 | 29,667 | 29,306 | 32,654 | 32,155 | 30,657 | 30,768 ^r | 34,127 |
| 4 Austria .. | 65 | 140 | 284 | 264 | 196 | 250 | 236 | 269 | 191 | 174 |
| 5 Belgium-Luxembourg | 561 | 1,200 | 1,339 | 1,954 | 1,680 | 1,946 | 1,621 | 1,739 | 2,140 | 2,568 |
| 6 Denmark .. | 173 | 254 | 147 | 180 | 132 | 165 | 127 | 129 | 172 | 119 |
| 7 Finland .. | 172 | 305 | 202 | 184 | 253 | 248 | 460 | 322 | 337 | 316 |
| 8 France .. | 2,082 | 3,735 | 3,322 | 3,232 | 2,551 | 3,506 | 2,958 | 2,716 | 3,067 ^r | 3,835 |
| 9 Germany .. | 644 | 845 | 1,179 | 1,018 | 987 | 1,506 | 948 | 985 | 1,028 ^r | 1,074 |
| 10 Greece .. | 206 | 164 | 154 | 221 | 278 | 265 | 256 | 264 | 244 ^r | 210 |
| 11 Italy .. | 1,334 | 1,523 | 1,631 | 2,560 | 2,842 | 3,063 | 3,364 | 3,168 | 3,105 ^r | 3,053 |
| 12 Netherlands .. | 338 | 677 | 514 | 546 | 557 | 749 | 575 | 642 | 523 | 548 |
| 13 Norway .. | 162 | 299 | 276 | 248 | 335 | 138 | 227 | 294 | 224 | 223 |
| 14 Portugal .. | 175 | 171 | 330 | 330 | 341 | 393 | 331 | 299 | 240 | 247 |
| 15 Spain .. | 722 | 1,120 | 1,051 | 1,106 | 1,113 | 1,111 | 993 | 1,131 | 1,152 ^r | 1,494 |
| 16 Sweden .. | 218 | 537 | 542 | 716 | 763 | 833 | 783 | 688 | 733 | 868 |
| 17 Switzerland .. | 564 | 1,283 | 1,165 | 1,337 | 1,564 | 1,932 | 1,446 | 1,753 | 1,729 | 1,310 |
| 18 Turkey .. | 360 | 300 | 149 | 144 | 123 | 149 | 145 | 146 | 155 | 235 |
| 19 United Kingdom | 8,964 | 10,147 | 13,795 | 13,015 | 12,981 | 13,995 | 14,917 | 13,175 | 12,949 ^r | 14,993 |
| 20 Yugoslavia .. | 311 | 363 | 611 | 682 | 684 | 689 | 853 | 863 | 859 | 871 |
| 21 Other Western Europe ¹ | 86 | 122 | 175 | 245 | 226 | 234 | 179 | 347 | 177 | 176 |
| 22 U.S.S.R. | 413 | 360 | 268 | 241 | 257 | 271 | 271 | 249 | 249 | 265 |
| 23 Other Eastern Europe ² | 566 | 657 | 1,254 | 1,444 | 1,443 | 1,413 | 1,457 | 1,490 | 1,494 | 1,548 |
| 24 Canada .. | 3,355 | 5,152 | 4,143 | 5,072 | 4,614 | 4,542 | 4,810 | 4,221 | 4,872 ^r | 5,071 |
| 25 Latin America and Caribbean .. | 45,850 | 57,565 | 67,993 | 85,935 | 87,986 | 89,259 | 92,992 | 90,792 | 89,732 ^r | 96,195 |
| 26 Argentina .. | 1,478 | 2,281 | 4,389 | 5,629 | 5,898 | 6,270 | 5,689 | 5,642 | 5,636 ^r | 5,672 |
| 27 Bahamas .. | 19,858 | 21,555 | 18,918 | 30,440 | 30,275 | 29,679 | 29,419 | 28,358 | 28,749 ^r | 33,997 |
| 28 Bermuda .. | 232 | 184 | 496 | 216 | 399 | 260 | 218 | 267 | 354 | 322 |
| 29 Brazil .. | 4,629 | 6,251 | 7,713 | 9,635 | 10,131 | 9,996 | 10,496 | 10,260 | 9,801 ^r | 10,208 |
| 30 British West Indies .. | 6,481 | 9,694 | 9,818 | 12,019 | 12,948 | 13,674 | 15,663 | 14,546 | 14,338 ^r | 14,226 |
| 31 Chile .. | 675 | 970 | 1,441 | 1,627 | 1,721 | 1,730 | 1,951 | 1,862 | 1,843 ^r | 1,875 |
| 32 Colombia .. | 671 | 1,012 | 1,614 | 1,493 | 1,575 | 1,582 | 1,752 | 1,665 | 1,435 | 1,467 |
| 33 Cuba .. | 10 | 0 | 4 | 6 | 3 | 3 | 4 | 3 | 3 | 3 |
| 34 Ecuador .. | 517 | 705 | 1,025 | 1,111 | 1,157 | 1,157 | 1,190 | 1,222 | 1,179 | 1,257 |
| 35 Guatemala ³ | .. | 40 | 134 | 105 | 112 | 114 | 137 | 114 | 113 | 208 |
| 36 Jamaica ³ | .. | 35 | 49 | 33 | 35 | 40 | 36 | 33 | 41 | 77 |
| 37 Mexico .. | 4,909 | 5,479 | 9,099 | 11,120 | 11,745 | 12,014 | 12,595 | 12,687 | 12,460 ^r | 12,405 |
| 38 Netherlands Antilles .. | 224 | 273 | 248 | 710 | 799 | 816 | 821 | 835 | 655 | 807 |
| 39 Panama .. | 1,410 | 3,098 | 6,041 | 4,461 | 3,972 | 4,367 | 4,974 | 5,033 | 4,964 ^r | 5,640 |
| 40 Peru .. | 962 | 918 | 652 | 671 | 719 | 749 | 890 | 912 | 877 | 786 |
| 41 Uruguay .. | 80 | 52 | 105 | 100 | 100 | 105 | 137 | 111 | 107 | 107 |
| 42 Venezuela .. | 2,318 | 3,474 | 4,657 | 4,879 | 4,710 | 5,113 | 5,438 | 5,515 | 5,514 | 5,441 |
| 43 Other Latin America and Caribbean | 1,394 | 1,485 | 1,593 | 1,681 | 1,689 | 1,591 | 1,583 | 1,728 | 1,653 | 1,702 |
| 44 Asia .. | 19,236 | 25,362 | 30,730 | 37,716 | 37,964 | 37,956 | 39,140 | 39,564 | 39,144 ^r | 40,632 |
| 45 China .. | 10 | 4 | 35 | 117 | 126 | 187 | 195 | 225 | 186 | 201 |
| 46 Mainland .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 47 Taiwan .. | 1,719 | 1,499 | 1,821 | 2,492 | 2,332 | 2,382 | 2,469 | 2,415 | 2,270 ^r | 2,401 |
| 48 Hong Kong .. | 543 | 1,479 | 1,804 | 2,243 | 2,133 | 2,094 | 2,247 | 2,250 | 2,212 | 2,330 |
| 49 India .. | 53 | 54 | 92 | 84 | 103 | 125 | 142 | 110 | 142 | 127 |
| 50 Indonesia .. | 232 | 143 | 131 | 208 | 214 | 248 | 245 | 280 | 306 | 288 |
| 51 Israel .. | 584 | 888 | 990 | 916 | 1,055 | 1,125 | 1,172 | 1,081 | 829 | 944 |
| 52 Japan .. | 9,839 | 12,646 | 16,911 | 20,666 | 20,614 | 20,323 | 21,361 | 21,187 | 22,345 ^r | 23,710 |
| 53 Korea .. | 2,336 | 2,282 | 3,793 | 5,565 | 5,880 | 5,839 | 5,697 | 5,904 | 5,936 | 5,830 |
| 54 Philippines .. | 594 | 680 | 737 | 1,171 | 1,084 | 1,122 | 989 | 840 | 745 | 605 |
| 55 Thailand .. | 633 | 758 | 933 | 947 | 925 | 974 | 876 | 810 | 808 | 835 |
| 56 Middle East oil-exporting countries ⁴ | 1,746 | 3,125 | 1,548 | 1,429 | 1,258 | 1,538 | 1,494 | 1,435 | 1,443 | 1,486 |
| Other Asia .. | 947 | 1,804 | 1,934 | 1,876 | 2,240 | 1,999 | 2,252 | 2,026 | 1,922 ^r | 1,874 |
| 57 Africa .. | 2,518 | 2,221 | 1,797 | 2,029 | 2,090 | 1,933 | 2,377 | 1,910 | 1,981 | 2,271 |
| 58 Egypt .. | 119 | 107 | 114 | 123 | 159 | 165 | 151 | 175 | 152 | 137 |
| 59 Morocco .. | 43 | 82 | 103 | 166 | 119 | 146 | 223 | 186 | 115 | 153 |
| 60 South Africa .. | 1,066 | 869 | 445 | 535 | 440 | 375 | 370 | 337 | 421 | 534 |
| 61 Zaïre .. | 98 | 164 | 144 | 101 | 123 | 98 | 94 | 96 | 94 | 111 |
| 62 Oil-exporting countries ⁵ | 510 | 452 | 391 | 374 | 469 | 402 | 805 | 410 | 425 | 589 |
| 63 Other .. | 682 | 556 | 600 | 729 | 780 | 747 | 734 | 707 | 773 | 746 |
| 64 Other countries | 1,090 | 988 | 855 | 1,091 | 1,185 | 1,143 | 1,150 | 1,122 | 1,250 | 1,035 |
| 65 Australia .. | 905 | 877 | 673 | 879 | 942 | 915 | 859 | 827 | 868 | 870 |
| 66 All other .. | 186 | 111 | 182 | 213 | 243 | 228 | 290 | 295 | 381 | 164 |
| 67 Nonmonetary international and regional organizations ⁶ | 43 | 56 | 36 | 39 | 44 | 38 | 78 | 72 | 79 | 74 |

1 Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23

2 Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania

3 Included in "Other Latin America and Caribbean" through March 1978.

4 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5 Comprises Algeria, Gabon, Libya, and Nigeria.

6 Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE: Data for period prior to April 1978 include claims of banks' domestic customers on foreigners

3.18 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars
Millions of dollars, end of period

| Type of claim | 1977 | 1978 | 1979 | 1980 | | | | 1981 | | |
|---|--------|---------|---------|---------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | | | | Sept. | Oct | Nov. | Dec. | Jan. | Feb | Mar |
| 1 Total | 90,206 | 126,787 | 154,030 | 187,038 | | | 198,807 | | | 210,455 ^r |
| 2 Banks' own claims on foreigners | | 115,545 | 133,943 | 161,548 | 163,189 | 167,525 | 172,702 | 167,338 | 167,825 ^r | 179,404 ^r |
| 3 Foreign public borrowers | | 10,346 | 15,937 | 19,311 | 19,478 | 21,158 | 20,944 | 20,969 | 20,320 ^r | 20,830 ^r |
| 4 Own foreign offices ¹ | | 41,605 | 47,428 | 61,880 | 62,087 | 62,507 | 65,084 | 64,002 | 64,910 ^r | 74,569 ^r |
| 5 Unaffiliated foreign banks | | 40,483 | 40,927 | 45,963 | 46,576 | 49,066 | 50,215 | 46,350 | 45,905 ^r | 46,496 ^r |
| 6 Deposits | | 5,428 | 6,274 | 7,211 | 7,116 | 7,579 | 8,254 | 7,261 | 7,079 ^r | 7,263 ^r |
| 7 Other | | 35,054 | 34,654 | 38,752 | 39,460 | 41,488 | 41,962 | 39,089 | 38,826 ^r | 39,233 ^r |
| 8 All other foreigners | | 23,111 | 29,650 | 34,395 | 35,048 | 34,794 | 36,459 | 36,017 | 36,690 ^r | 37,509 ^r |
| 9 Claims of banks' domestic customers ² | | 11,243 | 20,088 | 25,490 | | | 26,106 | | | 31,052 ^r |
| 10 Deposits | | 480 | 955 | 1,081 | | | 885 | | | 369 ^r |
| 11 Negotiable and readily transferable instruments ³ | | 5,396 | 13,100 | 15,260 | | | 15,574 | | | 19,930 ^r |
| 12 Outstanding collections and other claims ⁴ | 6,176 | 5,366 | 6,032 | 9,148 | | | 9,648 | | | 10,752 ^r |
| 13 MEMO. Customer liability on acceptances | | 15,030 | 18,021 | 23,433 | | | 22,714 | | | 24,452 ^r |
| Dollar deposits in banks abroad, reported by non-banking business enterprises in the United States ⁵ | | 13,162 | 21,578 | 22,075 | 22,771 ^r | 24,631 ^r | 23,626 ^r | 28,304 ^r | 30,707 ^r | 22,989 |

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

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

3. Principally negotiable time certificates of deposit and bankers acceptances

4. Data for March 1978 and for period prior to that are outstanding collections only

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

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

3.19 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars
Millions of dollars, end of period

| Maturity; by borrower and area | 1978 | 1979 | 1980 | | | | 1981 |
|---|--------|--------|--------|--------|--------|---------|-------------------|
| | Dec | Dec. | Mar. | June | Sept. | Dec | Mar. ^p |
| 1 Total | 73,635 | 86,181 | 85,452 | 93,260 | 99,022 | 106,857 | 104,789 |
| <i>By borrower</i> | | | | | | | |
| 2 Maturity of 1 year or less ¹ | 58,345 | 65,152 | 64,109 | 71,938 | 76,231 | 82,665 | 80,855 |
| 3 Foreign public borrowers | 4,633 | 7,233 | 6,812 | 7,227 | 8,935 | 10,036 | 10,519 |
| 4 All other foreigners | 53,712 | 57,919 | 57,297 | 64,711 | 67,296 | 72,628 | 70,336 |
| 5 Maturity of over 1 year ¹ | 15,289 | 21,030 | 21,343 | 21,322 | 22,791 | 24,193 | 23,934 |
| 6 Foreign public borrowers | 5,395 | 8,371 | 8,593 | 8,673 | 9,722 | 10,152 | 10,158 |
| 7 All other foreigners | 9,894 | 12,659 | 12,750 | 12,649 | 13,069 | 14,041 | 13,775 |
| <i>By area</i> | | | | | | | |
| 8 Maturity of 1 year or less ¹ | | | | | | | |
| 8 Europe | 15,169 | 15,235 | 13,848 | 17,215 | 16,940 | 18,762 | 17,306 |
| 9 Canada | 2,670 | 1,777 | 1,812 | 2,047 | 2,166 | 2,723 | 2,358 |
| 10 Latin America and Caribbean | 20,895 | 24,928 | 23,042 | 24,460 | 28,097 | 32,034 | 30,844 |
| 11 Asia | 17,545 | 21,641 | 23,737 | 26,162 | 26,876 | 26,748 | 28,001 |
| 12 Africa | 1,496 | 1,077 | 1,043 | 1,330 | 1,401 | 1,757 | 1,624 |
| 13 All other ² | 569 | 493 | 627 | 724 | 751 | 640 | 722 |
| 9 Maturity of over 1 year ¹ | | | | | | | |
| 14 Europe | 3,142 | 4,160 | 4,236 | 4,033 | 4,705 | 5,118 | 5,698 |
| 15 Canada | 1,426 | 1,317 | 1,214 | 1,199 | 1,188 | 1,448 | 1,184 |
| 16 Latin America and Caribbean | 8,464 | 12,814 | 13,388 | 13,887 | 14,187 | 15,075 | 14,768 |
| 17 Asia | 1,407 | 1,911 | 1,728 | 1,477 | 2,014 | 1,865 | 1,585 |
| 18 Africa | 637 | 655 | 620 | 576 | 567 | 507 | 531 |
| 19 All other ² | 214 | 173 | 157 | 150 | 130 | 179 | 168 |

1. Remaining time to maturity.

2. Includes nonmonetary international and regional organizations

3.20 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks¹

Billions of dollars, end of period

| Area or country | 1977 | 1978 ² | 1979 | | | | 1980 | | | | 1981 |
|---|--------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | Mar | June | Sept | Dec | Mar | June | Sept | Dec | Mar |
| 1 Total | 240.0 | 266.2 | 263.9 | 275.6 | 294.0 | 303.8 | 308.5 | 328.5 | 338.7 | 350.1 | 363.8 |
| 2 G-10 countries and Switzerland | 116.4 | 124.7 | 119.0 | 125.2 | 135.7 | 138.4 | 141.2 | 154.2 | 158.7 | 161.5 | 165.5 |
| 3 Belgium-Luxembourg | 8.4 | 9.0 | 9.4 | 9.7 | 10.7 | 11.1 | 10.8 | 13.1 | 13.5 | 12.9 | 13.4 |
| 4 France | 11.0 | 12.2 | 11.7 | 12.7 | 12.0 | 11.7 | 12.0 | 14.0 | 13.9 | 14.0 | 14.3 |
| 5 Germany | 9.6 | 11.3 | 10.5 | 10.8 | 12.8 | 12.2 | 11.4 | 12.7 | 12.9 | 11.5 | 12.3 |
| 6 Italy | 6.5 | 6.7 | 5.7 | 6.1 | 6.1 | 6.4 | 6.2 | 6.9 | 7.2 | 8.2 | 7.6 |
| 7 Netherlands | 3.5 | 4.4 | 3.9 | 4.0 | 4.7 | 4.8 | 4.3 | 4.5 | 4.4 | 4.4 | 4.5 |
| 8 Sweden | 1.9 | 2.1 | 2.0 | 2.0 | 2.3 | 2.4 | 2.4 | 2.7 | 2.8 | 2.9 | 3.2 |
| 9 Switzerland | 3.6 | 5.3 | 4.5 | 4.7 | 5.0 | 4.7 | 4.3 | 3.3 | 3.4 | 4.0 | 4.0 |
| 10 United Kingdom | 46.5 | 47.3 | 46.4 | 50.3 | 53.7 | 56.4 | 57.6 | 64.3 | 66.6 | 68.7 | 68.2 |
| 11 Canada | 6.4 | 6.0 | 5.9 | 5.5 | 6.0 | 6.3 | 6.9 | 7.2 | 7.7 | 8.4 | 8.5 |
| 12 Japan | 18.8 | 20.6 | 19.0 | 19.5 | 22.3 | 22.4 | 25.4 | 25.5 | 26.1 | 26.5 | 29.4 |
| 13 Other developed countries | 18.6 | 19.4 | 18.2 | 18.2 | 19.7 | 19.9 | 18.8 | 20.3 | 20.6 | 21.1 | 23.0 |
| 14 Austria | 1.3 | 1.7 | 1.7 | 1.8 | 2.0 | 2.0 | 1.7 | 1.8 | 1.8 | 1.9 | 1.8 |
| 15 Denmark | 1.6 | 2.0 | 2.0 | 1.9 | 2.0 | 2.2 | 2.1 | 2.2 | 2.2 | 2.2 | 2.4 |
| 16 Finland | 1.2 | 1.2 | 1.2 | 1.1 | 1.2 | 1.2 | 1.1 | 1.3 | 1.2 | 1.4 | 1.3 |
| 17 Greece | 2.2 | 2.3 | 2.3 | 2.2 | 2.3 | 2.4 | 2.4 | 2.5 | 2.6 | 2.8 | 2.8 |
| 18 Norway | 1.9 | 2.1 | 2.1 | 2.1 | 2.3 | 2.3 | 2.4 | 2.4 | 2.4 | 2.6 | 2.8 |
| 19 Portugal | 6 | 6 | 6 | 5 | 7 | 7 | 6 | 6 | 7 | 6 | 6 |
| 20 Spain | 3.6 | 3.5 | 3.0 | 3.0 | 3.3 | 3.5 | 3.5 | 3.9 | 4.2 | 4.0 | 5.1 |
| 21 Turkey | 1.5 | 1.5 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 1.5 | 1.5 |
| 22 Other Western Europe | 9 | 1.3 | 1.1 | 9 | 1.5 | 1.4 | 1.4 | 1.6 | 1.7 | 1.7 | 1.8 |
| 23 South Africa | 2.4 | 2.0 | 1.7 | 1.8 | 1.7 | 1.3 | 1.1 | 1.5 | 1.2 | 1.1 | 1.5 |
| 24 Australia | 1.4 | 1.4 | 1.3 | 1.4 | 1.3 | 1.3 | 1.2 | 1.2 | 1.2 | 1.3 | 1.4 |
| 25 OPEC countries ³ | 17.6 | 22.7 | 22.6 | 22.7 | 23.4 | 22.9 | 21.8 | 20.9 | 21.3 | 22.8 | 21.4 |
| 26 Ecuador | 1.1 | 1.6 | 1.5 | 1.6 | 1.6 | 1.7 | 1.8 | 1.8 | 1.9 | 2.1 | 2.0 |
| 27 Venezuela | 5.5 | 7.2 | 7.2 | 7.6 | 7.9 | 8.7 | 7.9 | 7.9 | 8.5 | 9.1 | 8.3 |
| 28 Indonesia | 2.2 | 2.0 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.8 | 2.0 |
| 29 Middle East countries | 6.9 | 9.5 | 9.4 | 9.0 | 9.2 | 8.0 | 7.8 | 6.9 | 6.6 | 6.9 | 6.4 |
| 30 African countries | 1.9 | 2.5 | 2.6 | 2.6 | 2.8 | 2.6 | 2.5 | 2.5 | 2.4 | 2.8 | 2.6 |
| 31 Non-OPEC developing countries | 48.7 | 52.6 | 53.9 | 56.0 | 58.9 | 62.9 | 63.7 | 67.4 | 72.8 | 76.9 | 80.5 |
| <i>Latin America</i> | | | | | | | | | | | |
| 32 Argentina | 2.9 | 3.0 | 3.1 | 3.5 | 4.1 | 5.0 | 5.5 | 5.6 | 7.6 | 7.9 | 8.5 |
| 33 Brazil | 12.7 | 14.9 | 14.9 | 15.1 | 15.1 | 15.2 | 15.0 | 15.3 | 15.8 | 16.2 | 16.7 |
| 34 Chile | 9 | 1.6 | 1.7 | 1.8 | 2.2 | 2.5 | 2.5 | 2.7 | 3.2 | 3.5 | 4.0 |
| 35 Colombia | 1.3 | 1.4 | 1.5 | 1.5 | 1.7 | 2.2 | 2.1 | 2.2 | 2.4 | 2.6 | 2.4 |
| 36 Mexico | 11.9 | 10.8 | 10.9 | 10.7 | 11.4 | 12.0 | 12.1 | 13.6 | 14.4 | 15.9 | 17.0 |
| 37 Peru | 1.9 | 1.7 | 1.6 | 1.4 | 1.4 | 1.5 | 1.3 | 1.4 | 1.5 | 1.8 | 1.8 |
| 38 Other Latin America | 2.6 | 3.6 | 3.5 | 3.3 | 3.6 | 3.7 | 3.6 | 3.6 | 3.9 | 3.9 | 4.8 |
| <i>Asia</i> | | | | | | | | | | | |
| 39 China | | | | | | | | | | | |
| 40 Mainland | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| 41 Taiwan | 3.1 | 2.9 | 3.1 | 3.3 | 3.5 | 3.4 | 3.6 | 3.8 | 4.1 | 4.2 | 4.4 |
| 42 India | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| 43 Israel | 9 | 10 | 10 | 9 | 10 | 13 | 9 | 12 | 11 | 15 | 13 |
| 44 Korea (South) | 3.9 | 3.9 | 4.2 | 5.0 | 5.3 | 5.4 | 6.4 | 7.1 | 7.3 | 7.1 | 7.7 |
| 45 Malaysia ⁴ | 7 | 6 | 6 | 7 | 7 | 9 | 8 | 9 | 9 | 10 | 10 |
| 46 Philippines | 2.5 | 2.8 | 3.2 | 3.7 | 3.7 | 4.2 | 4.4 | 4.6 | 4.8 | 5.0 | 4.7 |
| 47 Thailand | 1.1 | 1.2 | 1.2 | 1.4 | 1.6 | 1.5 | 1.4 | 1.5 | 1.5 | 1.4 | 1.4 |
| Other Asia | 4 | 2 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 6 | 4 |
| <i>Africa</i> | | | | | | | | | | | |
| 48 Egypt | 3 | 4 | 5 | 7 | 6 | 6 | 7 | 7 | 7 | 8 | 8 |
| 49 Morocco | 5 | 6 | 6 | 5 | 5 | 6 | 5 | 5 | 6 | 7 | 6 |
| 50 Zaïre | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 |
| 51 Other Africa ⁵ | 7 | 1.4 | 1.4 | 1.5 | 1.6 | 1.7 | 1.7 | 1.8 | 2.0 | 2.0 | 2.1 |
| 52 Eastern Europe | 6.3 | 6.9 | 6.7 | 6.7 | 7.2 | 7.3 | 7.3 | 7.2 | 7.3 | 7.5 | 8.0 |
| 53 U.S.S.R. | 1.6 | 1.3 | 1.1 | 9 | 9 | 7 | 6 | 5 | 5 | 4 | 4 |
| 54 Yugoslavia | 1.1 | 1.5 | 1.6 | 1.7 | 1.8 | 1.8 | 1.9 | 2.1 | 2.1 | 2.3 | 2.4 |
| 55 Other | 3.7 | 4.1 | 4.0 | 4.1 | 4.6 | 4.8 | 4.9 | 4.5 | 4.7 | 4.7 | 5.1 |
| 56 Offshore banking centers | 26.1 | 31.0 | 33.7 | 37.0 | 38.6 | 40.4 | 42.6 | 44.2 | 44.5 | 46.5 | 50.7 |
| 57 Bahamas | 9.9 | 10.4 | 12.3 | 14.4 | 13.0 | 13.7 | 13.9 | 13.7 | 13.1 | 13.3 | 13.6 |
| 58 Bermuda | 6 | 7 | 6 | 7 | 7 | 8 | 6 | 6 | 6 | 6 | 7 |
| 59 Cayman Islands and other British West Indies | 3.7 | 7.4 | 7.1 | 7.4 | 9.5 | 9.4 | 11.3 | 9.8 | 10.1 | 10.6 | 11.3 |
| 60 Netherlands Antilles | 7 | 8 | 8 | 10 | 11 | 12 | 9 | 12 | 13 | 2.1 | 2.1 |
| 61 Panama ⁶ | 3.1 | 3.0 | 3.5 | 3.8 | 3.4 | 4.3 | 4.9 | 5.6 | 5.6 | 5.4 | 6.4 |
| 62 Lebanon | 2 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 63 Hong Kong | 3.7 | 4.2 | 4.8 | 4.9 | 5.5 | 6.0 | 5.7 | 6.9 | 7.5 | 8.1 | 8.4 |
| 64 Singapore | 3.7 | 3.9 | 4.2 | 4.2 | 4.9 | 4.5 | 4.7 | 5.9 | 5.6 | 5.9 | 7.2 |
| 65 Others ⁷ | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 9 |
| 66 Miscellaneous and unallocated ⁸ | 5.3 | 9.1 | 9.5 | 9.9 | 10.6 | 11.7 | 13.1 | 14.3 | 13.7 | 13.9 | 14.8 |

1 The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices not covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.17 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, see also footnote 2.

2. Beginning with data for June 1978, the claims of the U.S. offices in this table include only banks' own claims payable in dollars. For earlier dates

the claims of the U.S. offices also include customer claims and foreign currency claims (amounting in June 1978 to \$10 billion).

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

4. Foreign branch claims only through December 1979.

5. Excludes Liberia.

6. Includes Canal Zone beginning December 1979.

7. Foreign branch claims only.

8. Includes New Zealand, Liberia, and international and regional organizations.

3.21 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

| Country or area | 1979 | 1980 | 1981 | 1980 | | | 1981 | | | |
|---|--------|--------|------------------------|--------|--------|--------|--------|--------|--------|------------------|
| | | | Jan - Apr ^P | Oct | Nov | Dec | Jan. | Feb. | Mar. | Apr ^P |
| Holdings (end of period) ¹ | | | | | | | | | | |
| 1 Estimated total ² | 51,344 | 57,418 | 56,558 | 57,222 | 57,418 | 58,453 | 60,277 | 61,995 | 62,364 | |
| 2 Foreign countries ² | 45,915 | 52,831 | 52,081 | 52,872 | 52,831 | 53,919 | 55,655 | 56,840 | 57,357 | |
| 3 Europe ² | 24,824 | 24,337 | 24,786 | 24,711 | 24,337 | 25,176 | 25,466 | 25,235 | 24,883 | |
| 4 Belgium-Luxembourg | 60 | 77 | 78 | 74 | 77 | 80 | 88 | 106 | 123 | |
| 5 Germany ² | 14,056 | 12,335 | 12,823 | 12,758 | 12,335 | 12,791 | 12,915 | 12,340 | 11,925 | |
| 6 Netherlands | 1,466 | 1,884 | 1,658 | 1,777 | 1,884 | 1,954 | 1,944 | 1,965 | 1,950 | |
| 7 Sweden | 647 | 595 | 607 | 614 | 595 | 555 | 535 | 566 | 567 | |
| 8 Switzerland ² | 1,868 | 1,485 | 1,517 | 1,489 | 1,485 | 1,561 | 1,524 | 1,527 | 1,526 | |
| 9 United Kingdom | 6,236 | 7,183 | 7,541 | 7,414 | 7,183 | 7,438 | 7,745 | 7,892 | 7,862 | |
| 10 Other Western Europe | 491 | 777 | 562 | 584 | 777 | 796 | 714 | 839 | 930 | |
| 11 Eastern Europe | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 12 Canada | 232 | 449 | 503 | 532 | 449 | 458 | 490 | 478 | 464 | |
| 13 Latin America and Caribbean | 466 | 999 | 768 | 942 | 999 | 998 | 1,074 | 1,151 | 939 | |
| 14 Venezuela | 103 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | |
| 15 Other Latin America and Caribbean | 200 | 285 | 255 | 278 | 285 | 281 | 341 | 339 | 389 | |
| 16 Netherlands Antilles | 163 | 421 | 221 | 372 | 421 | 425 | 441 | 519 | 258 | |
| 17 Asia | 19,805 | 26,112 | 25,333 | 25,968 | 26,112 | 26,303 | 27,467 | 28,827 | 29,925 | |
| 18 Japan | 11,175 | 9,479 | 9,503 | 9,547 | 9,479 | 9,519 | 9,543 | 9,543 | 9,566 | |
| 19 Africa | 591 | 920 | 685 | 715 | 920 | 970 | 1,139 | 1,140 | 1,140 | |
| 20 All other | -3 | 14 | 5 | 4 | 14 | 14 | 18 | 9 | 7 | |
| 21 Nonmonetary international and regional organizations | 5,429 | 4,587 | 4,477 | 4,350 | 4,587 | 4,534 | 4,622 | 5,155 | 5,007 | |
| 22 International | 5,388 | 4,548 | 4,430 | 4,302 | 4,548 | 4,505 | 4,586 | 5,113 | 4,995 | |
| 23 Latin American regional | 37 | 36 | 44 | 44 | 36 | 26 | 36 | 36 | 6 | |
| Transactions (net purchases, or sales (-) during period) | | | | | | | | | | |
| 24 Total ² | 6,397 | 6,075 | 4,946 ^r | 681 | 664 | 196 | 1,035 | 1,827 | 1,715 | 369 |
| 25 Foreign countries ² | 6,099 | 6,916 | 4,526 ^r | 903 | 791 | -41 | 1,088 | 1,736 | 1,185 | 517 |
| 26 Official institutions | 1,697 | 3,840 | 3,851 ^r | 664 | 301 | -336 | 865 | 1,404 | 1,084 | 498 |
| 27 Other foreign ² | 4,403 | 3,076 | 675 ^r | 240 | 490 | 295 | 223 | 332 | 101 | 19 |
| 28 Nonmonetary international and regional organizations | 301 | -843 | 419 ^r | -222 | -126 | 237 | -53 | 91 | 529 | -148 |
| MEMO: Oil-exporting countries | | | | | | | | | | |
| 29 Middle East ³ | -1,014 | 7,762 | 3,829 ^r | 990 | 561 | 358 | 300 | 1,139 | 1,322 | 1,068 |
| 30 Africa ⁴ | -100 | 328 | 220 | 68 | 29 | 205 | 51 | 169 | 0 | 0 |

1. Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.22 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

| Assets | 1978 | 1979 | 1980 | 1980 | | 1981 | | | | |
|---|---------|--------|---------|---------|---------|---------|---------|---------|---------|------------------|
| | | | | Nov | Dec. | Jan | Feb. | Mar. | Apr | May ^P |
| 1 Deposits | 367 | 429 | 411 | 368 | 411 | 573 | 422 | 474 | 475 | 346 |
| Assets held in custody | | | | | | | | | | |
| 2 U.S. Treasury securities ¹ | 117,126 | 95,075 | 102,417 | 102,786 | 102,417 | 104,490 | 106,389 | 111,859 | 113,746 | 109,742 |
| 3 Earmarked gold ² | 15,463 | 15,169 | 14,965 | 14,968 | 14,965 | 14,893 | 14,892 | 14,883 | 14,886 | 14,875 |

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

2. The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

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

3.23 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

| Transactions, and area or country | 1979 | 1980 | 1981 | 1980 | | | 1981 | | | |
|---|--------|--------|---------------------------|-------|-------|-------|-----------------|-----------------|-------|------------------|
| | | | Jan - Apr ^p | Oct | Nov | Dec | Jan | Feb | Mar | Apr ^p |
| U.S. corporate securities | | | | | | | | | | |
| STOCKS | | | | | | | | | | |
| 1 Foreign purchases | 22,781 | 40,320 | 14,118 | 4,438 | 4,457 | 4,345 | 3,422 | 3,718 | 3,948 | 4,031 |
| 2 Foreign sales | 21,123 | 34,962 | 11,711 | 3,920 | 3,588 | 3,701 | 2,798 | 2,312 | 3,313 | 3,288 |
| 3 Net purchases, or sales (-) | 1,658 | 5,358 | 2,407 | 519 | 869 | 644 | 624 | 406 | 634 | 744 |
| 4 Foreign countries | 1,642 | 5,340 | 2,377 | 524 | 867 | 623 | 612 | 403 | 626 | 736 |
| 5 Europe | 217 | 3,069 | 1,723 | 300 | 633 | 254 | 438 | 257 | 605 | 422 |
| 6 France | 122 | 482 | 339 | 53 | 109 | 60 | 62 | 41 | 110 | 126 |
| 7 Germany | -221 | 186 | 89 | 35 | 121 | 8 | 24 | 18 | 31 | 15 |
| 8 Netherlands | -71 | -328 | 54 | -29 | -58 | -17 | 43 | 2 | 12 | -2 |
| 9 Switzerland | -519 | 308 | 296 | 83 | 265 | -88 | 105 | -24 | 138 | 78 |
| 10 United Kingdom | 964 | 2,503 | 902 | 172 | 251 | 300 | 178 | 220 | 308 | 197 |
| 11 Canada | 552 | 865 | 450 | -66 | 263 | 247 | 26 | 91 | 103 | 230 |
| 12 Latin America and Caribbean | -19 | 148 | 65 | 132 | 57 | -8 | 101 | -22 | 14 | -27 |
| 13 Middle East ¹ | 688 | 1,206 | 156 | 126 | -109 | 177 | 63 | 74 | -95 | 114 |
| 14 Other Asia | 211 | 16 | -14 | 33 | 18 | -49 | -14 | -2 | 0 | 3 |
| 15 Africa | -14 | -1 | 1 | 2 | 0 | -2 | 2 | 0 | -1 | -1 |
| 16 Other countries | 7 | 38 | -4 | -3 | 5 | 2 | -5 | 7 | 0 | -5 |
| 17 Nonmonetary international and regional organizations | 17 | 18 | 30 | -6 | 2 | 22 | 12 | 2 | 8 | 8 |
| BONDS ² | | | | | | | | | | |
| 18 Foreign purchases | 8,835 | 15,425 | 6,339 | 1,591 | 1,193 | 946 | 1,549 | 1,402 | 1,865 | 1,522 |
| 19 Foreign sales | 7,602 | 9,976 | 3,545 | 739 | 902 | 826 | 817 | 863 | 1,093 | 773 |
| 20 Net purchases, or sales (-) | 1,233 | 5,449 | 2,794 | 852 | 291 | 121 | 733 | 539 | 772 | 750 |
| 21 Foreign countries | 1,330 | 5,514 | 2,763 | 897 | 295 | 107 | 706 | 552 | 797 | 708 |
| 22 Europe | 626 | 1,576 | 985 | 263 | 163 | -26 | 214 | 311 | 132 | 328 |
| 23 France | 11 | 129 | -21 | 2 | 12 | 4 | -42 | 9 | 8 | 8 |
| 24 Germany | 58 | 213 | 280 | 30 | 12 | 22 | 49 | 112 | 97 | 23 |
| 25 Netherlands | -202 | -65 | 44 | 8 | -7 | 17 | 6 | 12 | 14 | 13 |
| 26 Switzerland | -118 | 54 | 54 | 1 | 8 | 14 | 22 | 12 | 4 | 17 |
| 27 United Kingdom | 814 | 1,257 | 539 | 228 | 166 | 113 | 124 | 207 | -22 | 231 |
| 28 Canada | 20 | 135 | 35 | 9 | 21 | -7 | 7 | -2 | 19 | 12 |
| 29 Latin America and Caribbean | 109 | 185 | 71 | 7 | 11 | -5 | -3 | 26 | 28 | 19 |
| 30 Middle East ¹ | 424 | 3,486 | 1,755 | 594 | 105 | 113 | 492 | 201 | 723 | 340 |
| 31 Other Asia | 88 | 117 | -79 | 24 | -3 | 32 | -1 | 17 | -105 | 9 |
| 32 Africa | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 Other countries | 1 | 10 | -4 | 0 | -1 | 0 | -4 | 0 | 0 | 0 |
| 34 Nonmonetary international and regional organizations | -96 | -65 | 31 | -45 | -4 | 14 | 27 | -13 | -25 | 42 |
| Foreign securities | | | | | | | | | | |
| 35 Stocks, net purchases, or sales (-) | -786 | -2,084 | -217 | -341 | 129 | -68 | 35 | 13 | -187 | -78 |
| 36 Foreign purchases | 4,615 | 7,885 | 3,017 | 795 | 927 | 721 | 696 | 709 | 763 | 849 |
| 37 Foreign sales | 5,401 | 9,968 | 3,234 | 1,136 | 798 | 788 | 661 | 697 | 950 | 926 |
| 38 Bonds, net purchases, or sales (-) | -3,855 | -846 | -1,028 | -206 | 92 | 274 | -237 | 29 | -141 | -680 |
| 39 Foreign purchases | 12,672 | 17,069 | 5,302 | 1,651 | 1,254 | 1,786 | 1,142 | 1,296 | 1,686 | 1,177 |
| 40 Foreign sales | 16,527 | 17,915 | 6,330 | 1,857 | 1,161 | 1,512 | 1,379 | 1,267 | 1,827 | 1,857 |
| 41 Net purchases, or sales (-), of stocks and bonds | -4,641 | -2,929 | -1,245 | -547 | 221 | 206 | -202 | 42 | -328 | -757 |
| 42 Foreign countries | -3,891 | -3,806 | -1,274 | -563 | 198 | -177 | -261 | 24 | -340 | -698 |
| 43 Europe | -1,646 | -957 | -495 | 126 | -30 | -86 | -116 | 80 | -161 | -298 |
| 44 Canada | -2,601 | -1,948 | -300 | -651 | 329 | 24 | -4 | 76 | -101 | -271 |
| 45 Latin America and Caribbean | 347 | 126 | 154 | -35 | -24 | -11 | 51 | 52 | -68 | 119 |
| 46 Asia | 44 | -1,131 | -563 | -16 | -73 | -84 | -177 | -169 | 9 | -226 |
| 47 Africa | -61 | 24 | -42 | 29 | -1 | 13 | -10 | -8 | -17 | -7 |
| 48 Other countries | 25 | 80 | -28 | -16 | -3 | -7 | -4 ^r | -7 ^r | -2 | -15 |
| 49 Nonmonetary international and regional organizations | -750 | 876 | 28 | 15 | 23 | 383 | 59 | 17 | 12 | -60 |

1. Comprises oil-exporting countries as follows: Bahram, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.24 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

| Type, and area or country | 1978 | 1979 | 1979 | | | 1980 | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | June | Sept. | Dec | Mar | June | Sept. |
| 1 Total | 14,869 | 16,940 | 15,510 | 15,700 | 16,940 | 17,352 | 18,446 | 18,454 |
| 2 Payable in dollars | 11,506 | 13,922 | 12,623 | 12,692 | 13,922 | 14,417 | 15,080 | 15,214 |
| 3 Payable in foreign currencies ² | 3,363 | 3,018 | 2,888 | 3,008 | 3,018 | 2,936 | 3,366 | 3,239 |
| <i>By type</i> | | | | | | | | |
| 4 Financial liabilities | 6,295 | 7,302 | 6,041 | 6,131 | 7,302 | 7,781 | 8,281 | 8,125 |
| 5 Payable in dollars | 3,831 | 5,092 | 3,867 | 3,877 | 5,092 | 5,597 | 5,725 | 5,707 |
| 6 Payable in foreign currencies | 2,464 | 2,210 | 2,173 | 2,254 | 2,210 | 2,184 | 2,556 | 2,418 |
| 7 Commercial liabilities | 8,574 | 9,639 | 9,470 | 9,568 | 9,639 | 9,571 | 10,165 | 10,328 |
| 8 Trade payables | 4,008 | 4,380 | 4,302 | 4,051 | 4,380 | 4,138 | 4,265 | 4,369 |
| 9 Advance receipts and other liabilities | 4,566 | 5,258 | 5,168 | 5,518 | 5,258 | 5,433 | 5,899 | 5,960 |
| 10 Payable in dollars | 7,675 | 8,830 | 8,755 | 8,815 | 8,830 | 8,819 | 9,355 | 9,507 |
| 11 Payable in foreign currencies | 899 | 808 | 715 | 754 | 808 | 752 | 810 | 821 |
| <i>By area or country</i> | | | | | | | | |
| Financial liabilities | | | | | | | | |
| 12 Europe | 3,903 | 4,574 | 3,582 | 3,713 | 4,574 | 4,808 | 5,392 | 5,214 |
| 13 Belgium-Luxembourg | 289 | 345 | 355 | 317 | 345 | 360 | 422 | 404 |
| 14 France | 167 | 168 | 134 | 126 | 168 | 188 | 341 | 327 |
| 15 Germany | 366 | 497 | 283 | 381 | 497 | 520 | 657 | 557 |
| 16 Netherlands | 390 | 828 | 401 | 542 | 828 | 795 | 783 | 766 |
| 17 Switzerland | 248 | 170 | 235 | 190 | 170 | 174 | 238 | 224 |
| 18 United Kingdom | 2,110 | 2,372 | 1,955 | 1,957 | 2,372 | 2,568 | 2,783 | 2,761 |
| 19 Canada | 244 | 445 | 290 | 304 | 445 | 383 | 482 | 456 |
| 20 Latin America and Caribbean | 1,357 | 1,483 | 1,395 | 1,347 | 1,483 | 1,764 | 1,633 | 1,718 |
| 21 Bahamas | 478 | 375 | 477 | 390 | 375 | 459 | 434 | 412 |
| 22 Bermuda | 4 | 81 | 2 | 2 | 81 | 83 | 2 | 1 |
| 23 Brazil | 10 | 18 | 19 | 14 | 18 | 22 | 25 | 20 |
| 24 British West Indies | 194 | 514 | 189 | 198 | 514 | 694 | 700 | 685 |
| 25 Mexico | 102 | 121 | 131 | 122 | 121 | 101 | 101 | 108 |
| 26 Venezuela | 49 | 72 | 68 | 71 | 72 | 70 | 72 | 74 |
| 27 Asia | 780 | 790 | 764 | 757 | 790 | 805 | 750 | 705 |
| 28 Japan | 714 | 723 | 706 | 700 | 723 | 737 | 680 | 615 |
| 29 Middle East oil-exporting countries ³ | 32 | 31 | 25 | 19 | 31 | 26 | 31 | 37 |
| 30 Africa | 5 | 4 | 6 | 5 | 4 | 11 | 10 | 11 |
| 31 Oil-exporting countries ⁴ | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 |
| 32 All other ⁵ | 5 | 4 | 5 | 5 | 4 | 10 | 15 | 21 |
| Commercial liabilities | | | | | | | | |
| 33 Europe | 3,033 | 3,621 | 3,303 | 3,393 | 3,621 | 3,682 | 4,008 | 4,066 |
| 34 Belgium-Luxembourg | 75 | 137 | 81 | 103 | 137 | 117 | 132 | 109 |
| 35 France | 321 | 467 | 353 | 394 | 467 | 503 | 485 | 501 |
| 36 Germany | 529 | 534 | 471 | 539 | 534 | 533 | 714 | 693 |
| 37 Netherlands | 246 | 227 | 230 | 206 | 227 | 288 | 245 | 276 |
| 38 Switzerland | 302 | 310 | 439 | 348 | 310 | 382 | 462 | 452 |
| 39 United Kingdom | 824 | 1,073 | 997 | 1,015 | 1,073 | 994 | 1,120 | 1,033 |
| 40 Canada | 667 | 868 | 663 | 717 | 868 | 720 | 591 | 590 |
| 41 Latin America | 997 | 1,323 | 1,335 | 1,401 | 1,323 | 1,253 | 1,271 | 1,361 |
| 42 Bahamas | 25 | 69 | 65 | 89 | 69 | 4 | 26 | 8 |
| 43 Bermuda | 97 | 32 | 82 | 48 | 32 | 47 | 107 | 114 |
| 44 Brazil | 74 | 203 | 165 | 186 | 203 | 228 | 151 | 156 |
| 45 British West Indies | 53 | 21 | 121 | 21 | 21 | 20 | 37 | 12 |
| 46 Mexico | 106 | 257 | 216 | 270 | 257 | 235 | 272 | 324 |
| 47 Venezuela | 303 | 301 | 323 | 359 | 301 | 211 | 210 | 293 |
| 48 Asia | 2,932 | 2,865 | 3,034 | 2,996 | 2,865 | 2,912 | 3,053 | 2,909 |
| 49 Japan | 448 | 488 | 516 | 517 | 488 | 578 | 411 | 502 |
| 50 Middle East oil-exporting countries ³ | 1,523 | 1,017 | 1,225 | 1,070 | 1,017 | 901 | 1,019 | 944 |
| 51 Africa | 743 | 728 | 891 | 775 | 728 | 742 | 875 | 1,006 |
| 52 Oil-exporting countries ⁴ | 312 | 384 | 410 | 370 | 384 | 382 | 498 | 633 |
| 53 All other ⁵ | 203 | 233 | 243 | 287 | 233 | 263 | 367 | 396 |

1 For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550

2 Before December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year

3 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

4 Comprises Algeria, Gabon, Libya, and Nigeria.

5. Includes nonmonetary international and regional organizations.

3.25 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

| Type, and area or country | 1978 | 1979 | 1979 | | | 1980 | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | June | Sept. | Dec | Mar | June | Sept |
| 1 Total | 27,864 | 30,899 | 30,318 | 30,949 | 30,899 | 31,984 | 31,894 | 31,458 |
| 2 Payable in dollars | 24,881 | 27,734 | 27,418 | 28,280 | 27,734 | 28,984 | 28,852 | 28,280 |
| 3 Payable in foreign currencies ² | 2,984 | 3,165 | 2,900 | 2,668 | 3,165 | 3,000 | 3,042 | 3,178 |
| <i>By type</i> | | | | | | | | |
| 4 Financial claims | 16,528 | 18,139 | 19,321 | 19,176 | 18,139 | 19,260 | 18,543 | 18,164 |
| 5 Deposits | 11,069 | 12,493 | 13,661 | 13,730 | 12,493 | 13,586 | 12,702 | 12,099 |
| 6 Payable in dollars | 10,000 | 11,584 | 12,706 | 12,830 | 11,584 | 12,612 | 11,822 | 11,018 |
| 7 Payable in foreign currencies | 1,068 | 909 | 956 | 901 | 909 | 974 | 879 | 1,081 |
| 8 Other financial claims | 5,459 | 5,646 | 5,660 | 5,446 | 5,646 | 5,673 | 5,841 | 6,065 |
| 9 Payable in dollars | 3,874 | 3,803 | 4,079 | 4,030 | 3,803 | 4,055 | 4,103 | 4,395 |
| 10 Payable in foreign currencies | 1,584 | 1,843 | 1,581 | 1,416 | 1,843 | 1,619 | 1,737 | 1,670 |
| 11 Commercial claims | 11,337 | 12,760 | 10,997 | 11,773 | 12,760 | 12,724 | 13,352 | 13,294 |
| 12 Trade receivables | 10,778 | 12,072 | 10,368 | 11,061 | 12,072 | 12,079 | 12,656 | 12,605 |
| 13 Advance payments and other claims | 559 | 688 | 628 | 712 | 688 | 645 | 695 | 688 |
| 14 Payable in dollars | 11,006 | 12,347 | 10,633 | 11,421 | 12,347 | 12,317 | 12,926 | 12,867 |
| 15 Payable in foreign currencies | 331 | 413 | 363 | 352 | 413 | 407 | 425 | 427 |
| <i>By area or country</i> | | | | | | | | |
| <i>Financial claims</i> | | | | | | | | |
| 16 Europe | 5,218 | 6,129 | 5,640 | 6,562 | 6,129 | 5,840 | 5,835 | 5,576 |
| 17 Belgium-Luxembourg | 48 | 32 | 54 | 33 | 32 | 19 | 23 | 14 |
| 18 France | 178 | 177 | 183 | 191 | 177 | 290 | 307 | 381 |
| 19 Germany | 510 | 409 | 363 | 393 | 409 | 300 | 190 | 168 |
| 20 Netherlands | 103 | 53 | 62 | 51 | 53 | 39 | 37 | 30 |
| 21 Switzerland | 98 | 73 | 81 | 85 | 73 | 89 | 96 | 41 |
| 22 United Kingdom | 4,023 | 5,064 | 4,650 | 5,522 | 5,064 | 4,790 | 4,855 | 4,546 |
| 23 Canada | 4,482 | 4,812 | 5,146 | 4,767 | 4,812 | 4,882 | 4,778 | 4,798 |
| 24 Latin America and Caribbean | 5,672 | 6,204 | 7,448 | 6,682 | 6,204 | 7,516 | 6,851 | 6,671 |
| 25 Bahamas | 2,959 | 2,684 | 3,648 | 3,284 | 2,684 | 3,450 | 3,007 | 2,757 |
| 26 Bermuda | 80 | 30 | 57 | 31 | 30 | 34 | 25 | 65 |
| 27 Brazil | 151 | 163 | 141 | 133 | 163 | 128 | 120 | 116 |
| 28 British West Indies | 1,288 | 2,001 | 2,407 | 1,838 | 2,001 | 2,591 | 2,393 | 2,283 |
| 29 Mexico | 163 | 158 | 159 | 156 | 158 | 169 | 178 | 192 |
| 30 Venezuela | 157 | 143 | 155 | 139 | 143 | 134 | 139 | 128 |
| 31 Asia | 920 | 697 | 800 | 818 | 697 | 713 | 758 | 792 |
| 32 Japan | 305 | 190 | 217 | 222 | 190 | 226 | 253 | 269 |
| 33 Middle East oil-exporting countries ³ | 18 | 16 | 17 | 21 | 16 | 18 | 16 | 20 |
| 34 Africa | 181 | 253 | 227 | 277 | 253 | 265 | 256 | 260 |
| 35 Oil-exporting countries ⁴ | 10 | 49 | 23 | 41 | 49 | 40 | 35 | 29 |
| 36 All other ⁵ | 55 | 44 | 61 | 69 | 44 | 43 | 65 | 68 |
| <i>Commercial claims</i> | | | | | | | | |
| 37 Europe | 3,985 | 4,901 | 3,833 | 4,127 | 4,901 | 4,756 | 4,820 | 4,655 |
| 38 Belgium-Luxembourg | 144 | 203 | 170 | 179 | 203 | 208 | 255 | 230 |
| 39 France | 609 | 727 | 470 | 518 | 727 | 703 | 662 | 707 |
| 40 Germany | 399 | 584 | 421 | 448 | 584 | 515 | 504 | 569 |
| 41 Netherlands | 267 | 298 | 307 | 262 | 298 | 347 | 297 | 289 |
| 42 Switzerland | 198 | 269 | 232 | 224 | 269 | 349 | 429 | 333 |
| 43 United Kingdom | 827 | 905 | 731 | 818 | 905 | 924 | 908 | 988 |
| 44 Canada | 1,096 | 843 | 1,106 | 1,164 | 843 | 862 | 895 | 929 |
| 45 Latin America and Caribbean | 2,547 | 2,855 | 2,410 | 2,595 | 2,855 | 2,992 | 3,281 | 3,375 |
| 46 Bahamas | 109 | 21 | 98 | 16 | 21 | 19 | 19 | 53 |
| 47 Bermuda | 215 | 197 | 118 | 154 | 197 | 135 | 133 | 81 |
| 48 Brazil | 629 | 647 | 503 | 568 | 647 | 656 | 697 | 710 |
| 49 British West Indies | 9 | 16 | 25 | 13 | 16 | 11 | 9 | 17 |
| 50 Mexico | 506 | 700 | 588 | 648 | 700 | 835 | 921 | 981 |
| 51 Venezuela | 292 | 342 | 296 | 346 | 342 | 349 | 394 | 388 |
| 52 Asia | 3,082 | 3,365 | 2,967 | 3,116 | 3,365 | 3,370 | 3,540 | 3,395 |
| 53 Japan | 976 | 1,127 | 1,005 | 1,128 | 1,127 | 1,209 | 1,130 | 1,094 |
| 54 Middle East oil-exporting countries ³ | 717 | 766 | 685 | 701 | 766 | 718 | 829 | 837 |
| 55 Africa | 447 | 556 | 487 | 549 | 556 | 518 | 567 | 669 |
| 56 Oil-exporting countries ⁴ | 136 | 133 | 139 | 140 | 133 | 114 | 115 | 135 |
| 57 All other ⁵ | 179 | 240 | 194 | 220 | 240 | 225 | 249 | 270 |

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

5. Includes nonmonetary international and regional organizations.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

| Country | Rate on May 31, 1981 | | Country | Rate on May 31, 1981 | | Country | Rate on May 31, 1981 | |
|-----------|----------------------|-----------------|-----------------------|----------------------|-----------------|----------------|----------------------|-----------------|
| | Per-cent | Month effective | | Per-cent | Month effective | | Per-cent | Month effective |
| Argentina | 172.87 | May 1981 | France ¹ | 22.0 | May 1981 | Sweden | 12.0 | Jan 1981 |
| Austria | 6.75 | Mar. 1980 | Germany, Fed. Rep. of | 7.5 | May 1980 | Switzerland | 5.0 | May 1981 |
| Belgium | 13.0 | May 1981 | Italy | 19.0 | Mar 1981 | United Kingdom | 12.0 | Mar 1981 |
| Brazil | 40.0 | June 1980 | Japan | 6.25 | Mar 1981 | Venezuela | 10.0 | July 1980 |
| Canada | 18.68 | May 1981 | Netherlands | 9.0 | Mar 1981 | | | |
| Denmark | 11.00 | Oct 1980 | Norway | 9.0 | Nov 1979 | | | |

1 As from February 1981, the rate at which the Bank of France discounts Treasury bills for 7 to 10 days.

NOTE: Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or

government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

| Country, or type | 1978 | 1979 | 1980 | 1980 | | 1981 | | | | |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | Nov | Dec | Jan | Feb | Mar | Apr | May |
| 1 Eurodollars | 8.74 | 11.96 | 14.00 | 16.46 | 19.47 | 18.07 | 17.18 | 15.36 | 15.95 | 19.06 |
| 2 United Kingdom | 9.18 | 13.60 | 16.59 | 15.84 | 14.64 | 14.20 | 13.12 | 12.58 | 12.26 | 12.34 |
| 3 Canada | 8.52 | 11.91 | 13.12 | 12.96 | 16.83 | 16.98 | 17.28 | 16.85 | 17.35 | 18.96 |
| 4 Germany | 3.67 | 6.64 | 9.45 | 9.37 | 10.11 | 9.41 | 10.74 | 13.44 | 13.12 | 13.06 |
| 5 Switzerland | 0.74 | 2.04 | 5.79 | 5.53 | 6.61 | 5.68 | 7.09 | 8.33 | 8.67 | 9.87 |
| 6 Netherlands | 6.53 | 9.33 | 10.60 | 9.59 | 9.69 | 9.36 | 9.78 | 10.61 | 10.41 | 11.76 |
| 7 France | 8.10 | 9.44 | 12.18 | 11.26 | 11.52 | 11.38 | 11.87 | 12.56 | 13.00 | 15.75 |
| 8 Italy | 11.40 | 11.85 | 17.50 | 17.51 | 17.47 | 17.34 | 17.50 | 18.22 | 19.92 | 19.92 |
| 9 Belgium | 7.14 | 10.48 | 14.06 | 12.40 | 12.75 | 12.41 | 12.52 | 13.93 | 17.16 | 16.90 |
| 10 Japan | 4.75 | 6.10 | 11.45 | 9.74 | 9.60 | 9.00 | 8.52 | 7.87 | 6.83 | 7.22 |

NOTE: Rates are for 3-month interbank loans except for the following: Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan, Gensaki rate.

3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

| Country/currency | 1978 | 1979 | 1980 | 1980 | | 1981 | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | | Nov | Dec | Jan | Feb | Mar | Apr | May |
| 1 Australia/dollar | 114.41 | 111.77 | 114.00 | 116.75 | 116.86 | 118.19 | 116.26 | 116.29 | 115.32 | 114.06 |
| 2 Austria/schilling | 6.8958 | 7.4799 | 7.7349 | 7.3433 | 7.1549 | 7.0297 | 6.6033 | 6.6959 | 6.5355 | 6.1722 |
| 3 Belgium/franc | 3.1809 | 3.4098 | 3.4247 | 3.2457 | 3.1543 | 3.0962 | 2.8972 | 2.8966 | 2.8220 | 2.6742 |
| 4 Canada/dollar | 87.729 | 85.386 | 85.530 | 84.286 | 83.560 | 83.974 | 83.442 | 83.936 | 83.966 | 83.265 |
| 5 Denmark/krone | 18.156 | 19.010 | 17.766 | 16.962 | 16.573 | 16.181 | 15.152 | 15.109 | 14.683 | 13.864 |
| 6 Finland/markka | 24.337 | 27.732 | 26.892 | 26.452 | 25.903 | 25.752 | 24.656 | 24.612 | 23.059 | 23.207 |
| 7 France/franc | 22.218 | 23.504 | 23.694 | 22.515 | 21.925 | 21.539 | 20.142 | 20.147 | 19.548 | 18.225 |
| 8 Germany/deutsche mark | 49.867 | 54.561 | 55.089 | 52.113 | 50.769 | 49.771 | 46.757 | 47.498 | 46.219 | 43.601 |
| 9 India/rupee | 12.207 | 12.265 | 12.686 | 12.868 | 12.608 | 12.567 | 12.164 | 12.131 | 12.060 | 11.900 |
| 10 Ireland/peseta | 191.84 | 204.65 | 205.77 | 194.59 | 189.01 | 185.54 | 173.31 | 173.25 | 168.46 | 159.49 |
| 11 Italy/lira | 11782 | 12035 | 11694 | 11000 | 10704 | 10478 | 09807 | 09699 | 09280 | 08766 |
| 12 Japan/yen | 47981 | 45834 | 44311 | 46928 | 47747 | 49419 | 48615 | 47897 | 46520 | 45332 |
| 13 Malaysia/ringgit | 43.210 | 45.720 | 45.967 | 46.187 | 45.406 | 44.994 | 44.196 | 43.830 | 43.182 | 42.752 |
| 14 Mexico/peso | 4.3896 | 4.3826 | 4.3535 | 4.3166 | 4.3071 | 4.2792 | 4.2544 | 4.2238 | 4.1880 | 4.1500 |
| 15 Netherlands/guilder | 46.284 | 49.843 | 50.369 | 48.102 | 46.730 | 45.810 | 42.870 | 42.912 | 41.660 | 39.224 |
| 16 New Zealand/dollar | 103.64 | 102.23 | 97.337 | 96.770 | 95.404 | 96.137 | 93.414 | 91.999 | 90.273 | 88.150 |
| 17 Norway/krone | 19.079 | 19.747 | 20.261 | 19.938 | 19.370 | 19.087 | 18.485 | 18.540 | 18.271 | 17.652 |
| 18 Portugal/escudo | 2.2782 | 2.0437 | 1.9980 | 1.9178 | 1.8773 | 1.8591 | 1.7722 | 1.7621 | 1.7178 | 1.6449 |
| 19 South Africa/rand | 115.01 | 118.72 | 128.54 | 133.20 | 132.83 | 133.69 | 129.27 | 126.50 | 123.32 | 119.35 |
| 20 Spain/peseta | 1.3073 | 1.4896 | 1.3958 | 1.3085 | 1.2653 | 1.2409 | 1.1686 | 1.1672 | 1.1395 | 1.0953 |
| 21 Sri Lanka/rupee | 6.3834 | 6.4226 | 6.1947 | 5.8139 | 5.7379 | 5.9525 | 5.5975 | 5.5527 | 5.4185 | 5.4422 |
| 22 Sweden/krona | 22.139 | 23.323 | 23.647 | 23.240 | 22.722 | 22.490 | 21.734 | 21.704 | 21.309 | 20.450 |
| 23 Switzerland/franc | 56.283 | 60.121 | 59.697 | 57.942 | 56.022 | 54.907 | 51.502 | 52.043 | 50.664 | 48.400 |
| 24 United Kingdom/pound | 191.84 | 212.24 | 232.58 | 239.41 | 234.59 | 240.29 | 229.41 | 223.19 | 217.53 | 208.84 |
| MI MO | | | | | | | | | | |
| 25 United States/dollar ¹ | 92.39 | 88.09 | 87.39 | 89.31 | 90.99 | 91.38 | 96.02 | 96.22 | 98.80 | 103.59 |

1 Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland March 1973 = 100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data see "Index of

the Weighted-Average Exchange Value of the U.S. Dollar Revision" on page 700 of the August 1978 BULLETIN.

NOTE: Averages of certified noon buying rates in New York for cable transfers.

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

| | | | |
|---|---|--------|---|
| c | Corrected | 0 | Calculated to be zero |
| e | Estimated | n.a. | Not available |
| p | Preliminary | n.e.c. | Not elsewhere classified |
| r | Revised (Notation appears on column heading when more than half of figures in that column are changed.) | IPCs | Individuals, partnerships, and corporations |
| | | REITs | Real estate investment trusts |
| | | RPs | Repurchase agreements |
| * | Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions) | SMSAs | Standard metropolitan statistical areas |
| | | | Cell not applicable |

General Information

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

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obli-

gations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

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

STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

| | <i>Issue</i> | <i>Page</i> |
|---|---------------|-------------|
| Anticipated schedule of release dates for periodic releases | December 1980 | A80 |

SPECIAL TABLES

Published Irregularly, with Latest Bulletin Reference

| | | |
|--|---------------|-----|
| Commercial bank assets and liabilities, call dates, December 31, 1978, to March 31, 1980 | October 1980 | A71 |
| Commercial bank assets and liabilities, June 30, 1980 | December 1980 | A68 |
| Commercial bank assets and liabilities, September 30, 1980 | February 1981 | A68 |
| Commercial bank assets and liabilities, December 31, 1980 | April 1981 | A72 |
| Assets and liabilities of U.S. branches and agencies of foreign banks, December 31, 1980 | June 1981 | A68 |

Special tables begin on following page.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, Dec. 31, 1980¹

Millions of dollars

| Item | All states ² | | | New York | | California, total ³ | Illinois, branches | Other states ² | |
|--|-------------------------|---------------|---------------|---------------|---------------|-----------------------------------|-----------------------|---------------------------|--------------|
| | Total | Branches | Agencies | Branches | Agencies | | | Branches | Agencies |
| 1 Total assets⁴ | 147,966 | 89,878 | 58,088 | 78,116 | 24,765 | 30,995 | 6,733 | 5,003 | 2,354 |
| 2 Cash and due from depository institutions | 19,562 | 15,253 | 4,309 | 14,243 | 3,978 | 270 | 881 | 125 | 65 |
| 3 Currency and coin (U.S. and foreign) | 16 | 13 | 3 | 11 | 1 | 1 | 2 | 0 | 0 |
| 4 Balances with Federal Reserve Banks | 200 | 167 | 32 | 150 | 22 | 8 | 9 | 8 | 3 |
| 5 Balances with other central banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Demand balances with commercial banks in United States | 8,550 | 5,666 | 2,884 | 5,560 | 2,752 | 113 | 65 | 41 | 20 |
| 7 All other balances with depository institutions in United States and with banks in foreign countries | 10,033 | 8,884 | 1,149 | 8,005 | 965 | 145 | 803 | 73 | 42 |
| 8 Time and savings balances with commercial banks in United States | 4,668 | 4,053 | 615 | 3,830 | 541 | 69 | 147 | 73 | 8 |
| 9 Balances with other depository institutions in United States | 606 | 601 | 5 | 601 | 5 | 0 | 0 | 0 | 0 |
| 10 Balances with banks in foreign countries | 4,759 | 4,230 | 529 | 3,574 | 419 | 76 | 656 | 0 | 34 |
| 11 Foreign branches of U.S. banks | 1,196 | 954 | 242 | 794 | 209 | 6 | 160 | 0 | 27 |
| 12 Other banks in foreign countries | 3,563 | 3,276 | 287 | 2,780 | 210 | 69 | 496 | 0 | 7 |
| 13 Cash items in process of collection | 762 | 522 | 241 | 517 | 238 | 3 | 3 | 2 | 0 |
| 14 Total securities, loans, and lease financing receivables | 94,837 | 61,761 | 33,076 | 53,137 | 15,511 | 15,396 | 5,375 | 3,234 | 2,184 |
| 15 Total securities, book value | 3,477 | 2,077 | 1,400 | 1,805 | 1,299 | 101 | 149 | 123 | 0 |
| 16 U.S. Treasury | 2,277 | 1,317 | 960 | 1,146 | 907 | 54 | 52 | 118 | 0 |
| 17 Obligations of other U.S. government agencies and corporations | 336 | 100 | 235 | 92 | 219 | 17 | 6 | 2 | 0 |
| 18 Obligations of states and political subdivisions in United States | 177 | 175 | 2 | 150 | 1 | 2 | 23 | 2 | 0 |
| 19 Other bonds, notes, debentures and corporate stock | 687 | 485 | 203 | 416 | 174 | 29 | 68 | 0 | 0 |
| 20 Federal funds sold and securities purchased under agreements to resell | 6,677 | 4,166 | 2,511 | 3,913 | 1,944 | 559 | 211 | 41 | 8 |
| <i>By holder</i> | | | | | | | | | |
| 21 Commercial banks in United States | 6,269 | 3,939 | 2,330 | 3,725 | 1,764 | 559 | 172 | 41 | 8 |
| 22 Others | 408 | 228 | 180 | 188 | 180 | 0 | 40 | 0 | 0 |
| <i>By type</i> | | | | | | | | | |
| 23 One-day maturity or continuing contract | 6,600 | 4,115 | 2,484 | 3,879 | 1,917 | 559 | 195 | 41 | 8 |
| 24 Securities purchased under agreements to resell | 97 | 55 | 42 | 33 | 23 | 19 | 22 | 0 | 0 |
| 25 Other | 6,503 | 4,060 | 2,442 | 3,846 | 1,895 | 539 | 173 | 41 | 8 |
| 26 Other securities purchased under agreements to resell | 77 | 51 | 27 | 35 | 27 | 0 | 16 | 0 | 0 |
| 27 Total loans, gross | 91,488 | 59,764 | 31,724 | 51,406 | 14,228 | 15,327 | 5,230 | 3,113 | 2,185 |
| 28 LESS: Unearned income on loans | 130 | 81 | 49 | 75 | 16 | 32 | 4 | 1 | 1 |
| 29 EQUALS: Loans, net | 91,358 | 59,683 | 31,676 | 51,331 | 14,212 | 15,295 | 5,225 | 3,111 | 2,184 |
| <i>Total loans, gross, by category</i> | | | | | | | | | |
| 30 Real estate loans | 2,219 | 262 | 1,958 | 114 | 862 | 783 | 18 | 120 | 323 |
| 31 Loans to financial institutions | 31,737 | 23,957 | 7,780 | 22,246 | 3,330 | 4,366 | 1,574 | 137 | 84 |
| 32 Commercial banks in United States | 17,015 | 12,800 | 4,216 | 11,684 | 1,444 | 2,762 | 991 | 125 | 10 |
| 33 U.S. branches and agencies of other foreign banks | 16,084 | 12,043 | 4,041 | 11,017 | 1,390 | 2,651 | 955 | 71 | 0 |
| 34 Other commercial banks | 932 | 757 | 175 | 666 | 54 | 111 | 36 | 54 | 10 |
| 35 Banks in foreign countries | 13,825 | 10,522 | 3,303 | 10,037 | 1,702 | 1,552 | 479 | 6 | 49 |
| 36 Foreign branches of U.S. banks | 1,557 | 971 | 586 | 928 | 357 | 230 | 42 | 0 | 0 |
| 37 Other | 12,268 | 9,551 | 2,717 | 9,108 | 1,345 | 1,323 | 437 | 6 | 49 |
| 38 Other financial institutions | 897 | 636 | 261 | 525 | 184 | 52 | 104 | 6 | 25 |
| 39 Loans for purchasing or carrying securities | 822 | 457 | 364 | 432 | 324 | 41 | 25 | 0 | 0 |
| 40 Commercial and industrial loans | 45,767 | 27,202 | 18,565 | 21,030 | 7,710 | 9,153 | 3,368 | 2,801 | 1,706 |
| 41 U.S. addressees (domicile) | 29,227 | 16,855 | 12,372 | 12,021 | 4,655 | 6,230 | 2,992 | 1,838 | 1,491 |
| 42 Non-U.S. addressees (domicile) | 16,540 | 10,347 | 6,193 | 9,008 | 3,056 | 2,922 | 376 | 963 | 215 |
| 43 Loans to individuals for household, family, and other personal expenditures | 134 | 83 | 51 | 53 | 23 | 29 | 8 | 20 | 1 |
| 44 All other loans | 10,809 | 7,803 | 3,006 | 7,531 | 1,979 | 956 | 237 | 34 | 71 |
| 45 Loans to foreign governments and official institutions | 8,767 | 5,968 | 2,799 | 5,730 | 1,810 | 920 | 218 | 19 | 70 |
| 46 Other | 2,042 | 1,835 | 207 | 1,801 | 169 | 36 | 19 | 15 | 1 |
| 47 Lease financing receivables | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| 48 All other assets | 26,890 | 8,698 | 18,192 | 6,823 | 3,332 | 14,770 | 266 | 1,603 | 97 |
| 49 Customers' liability on acceptances outstanding | 7,827 | 4,085 | 3,742 | 3,955 | 2,767 | 950 | 57 | 74 | 25 |
| 50 U.S. addressees (domicile) | 3,909 | 2,210 | 1,699 | 2,162 | 898 | 788 | 41 | 6 | 14 |
| 51 Non-U.S. addressees (domicile) | 3,918 | 1,875 | 2,043 | 1,793 | 1,869 | 162 | 16 | 67 | 12 |
| 52 Net due from related banking institutions ⁵ | 14,856 | 1,655 | 13,201 | 185 | 10 | 13,167 | 0 | 1,471 | 24 |
| 53 Other | 4,207 | 2,958 | 1,250 | 2,684 | 555 | 653 | 209 | 58 | 48 |

4.30 Continued

| Item | All states ² | | | New York | | California, total ³ | Illinois, branches | Other states ² | |
|--|-------------------------|----------|----------|----------|----------|--------------------------------|--------------------|---------------------------|----------|
| | Total | Branches | Agencies | Branches | Agencies | | | Branches | Agencies |
| 54 Total liabilities ⁴ | 147,966 | 89,878 | 58,088 | 78,116 | 24,765 | 30,995 | 6,733 | 5,003 | 2,354 |
| 55 Total deposits and credit balances | 43,128 | 38,729 | 4,398 | 34,700 | 3,448 | 850 | 983 | 3,039 | 107 |
| 56 Individuals, partnerships, and corporations | 24,067 | 23,269 | 798 | 19,592 | 279 | 444 | 747 | 2,925 | 81 |
| 57 U.S. addressees (domicile) | 21,384 | 21,220 | 164 | 17,647 | 95 | 57 | 693 | 2,874 | 19 |
| 58 Non-U.S. addressees (domicile) | 2,683 | 2,049 | 634 | 1,945 | 184 | 387 | 54 | 51 | 62 |
| 59 U.S. government, states, and political subdivisions in United States | 95 | 95 | 0 | 33 | 0 | 0 | 2 | 60 | 0 |
| 60 All other | 18,971 | 15,370 | 3,600 | 15,076 | 3,169 | 406 | 235 | 60 | 26 |
| 61 Foreign governments and official institutions | 3,241 | 2,910 | 332 | 2,769 | 72 | 259 | 128 | 13 | 0 |
| 62 Commercial banks in United States | 6,374 | 5,597 | 777 | 5,548 | 741 | 23 | 40 | 9 | 14 |
| 63 U.S. branches and agencies of other foreign banks | 1,268 | 1,227 | 42 | 1,201 | 5 | 22 | 26 | 0 | 14 |
| 64 Other commercial banks in United States | 5,106 | 4,370 | 736 | 4,348 | 735 | 0 | 13 | 9 | 0 |
| 65 Banks in foreign countries | 2,965 | 2,519 | 446 | 2,497 | 368 | 72 | 13 | 9 | 6 |
| 66 Foreign branches of U.S. banks | 50 | 49 | 1 | 47 | 0 | 1 | 0 | 2 | 0 |
| 67 Other banks in foreign countries | 2,915 | 2,470 | 445 | 2,450 | 368 | 71 | 13 | 7 | 6 |
| 68 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 6,390 | 4,344 | 2,045 | 4,262 | 1,987 | 53 | 54 | 28 | 6 |
| 69 Demand deposits | 12,466 | 10,375 | 2,091 | 10,087 | 1,987 | 100 | 152 | 135 | 6 |
| 70 Individuals, partnerships, and corporations | 1,418 | 1,390 | 28 | 1,195 | 0 | 30 | 91 | 102 | 0 |
| 71 U.S. addressees (domicile) | 862 | 859 | 3 | 680 | 0 | 5 | 85 | 92 | 0 |
| 72 Non-U.S. addressees (domicile) | 556 | 531 | 25 | 515 | 0 | 25 | 6 | 10 | 0 |
| 73 U.S. government, states, and political subdivisions in United States | 16 | 16 | 0 | 15 | 0 | 0 | 0 | 0 | 0 |
| 74 All other | 11,032 | 8,970 | 2,062 | 8,877 | 1,987 | 70 | 61 | 32 | 6 |
| 75 Foreign governments and official institutions | 643 | 632 | 11 | 628 | 0 | 10 | 2 | 3 | 0 |
| 76 Commercial banks in United States | 3,029 | 3,029 | 0 | 3,027 | 0 | 0 | 1 | 1 | 0 |
| 77 U.S. branches and agencies of other foreign banks | 52 | 52 | 0 | 52 | 0 | 0 | 0 | 0 | 0 |
| 78 Other commercial banks in United States | 2,977 | 2,977 | 0 | 2,976 | 0 | 0 | 1 | 1 | 0 |
| 79 Banks in foreign countries | 970 | 964 | 6 | 960 | 0 | 6 | 4 | 0 | 0 |
| 80 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 6,390 | 4,344 | 2,045 | 4,262 | 1,987 | 53 | 54 | 28 | 6 |
| 81 Time deposits | 28,697 | 28,101 | 596 | 24,412 | 0 | 599 | 812 | 2,874 | 0 |
| 82 Individual, partnerships, and corporations | 21,965 | 21,627 | 338 | 18,196 | 0 | 341 | 637 | 2,792 | 0 |
| 83 U.S. addressees (domicile) | 20,172 | 20,172 | 0 | 16,826 | 0 | 2 | 591 | 2,753 | 0 |
| 84 Non-U.S. addressees (domicile) | 1,793 | 1,455 | 339 | 1,371 | 0 | 338 | 46 | 38 | 0 |
| 85 U.S. government, states, and political subdivisions in United States | 79 | 79 | 0 | 18 | 0 | 0 | 1 | 60 | 0 |
| 86 All other | 6,654 | 6,395 | 259 | 6,198 | 0 | 258 | 174 | 22 | 0 |
| 87 Foreign governments and official institutions | 2,470 | 2,277 | 193 | 2,141 | 0 | 193 | 126 | 10 | 0 |
| 88 Commercial banks in United States | 2,563 | 2,563 | 0 | 2,521 | 0 | 0 | 39 | 4 | 0 |
| 89 U.S. branches and agencies of other foreign banks | 1,175 | 1,175 | 0 | 1,149 | 0 | 0 | 26 | 0 | 0 |
| 90 Other commercial banks in United States | 1,388 | 1,388 | 0 | 1,372 | 0 | 0 | 12 | 4 | 0 |
| 91 Banks in foreign countries | 1,620 | 1,555 | 65 | 1,537 | 0 | 65 | 10 | 9 | 0 |
| 92 Savings deposits | 276 | 253 | 23 | 202 | 0 | 25 | 20 | 30 | 0 |
| 93 Individuals, partnerships, and corporations | 276 | 252 | 23 | 201 | 0 | 25 | 20 | 30 | 0 |
| 94 U.S. addressees (domicile) | 189 | 189 | 0 | 142 | 0 | 2 | 17 | 28 | 0 |
| 95 Non-U.S. addressees (domicile) | 87 | 64 | 23 | 59 | 0 | 24 | 2 | 2 | 0 |
| 96 U.S. government, states, and political subdivisions in United States | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 97 All other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 98 Credit balances | 1,688 | 1 | 1,687 | 0 | 1,461 | 126 | 0 | 1 | 100 |
| 99 Individuals, partnerships, and corporations | 409 | 1 | 408 | 0 | 279 | 48 | 0 | 1 | 82 |
| 100 U.S. addressees (domicile) | 162 | 1 | 161 | 0 | 95 | 48 | 0 | 1 | 19 |
| 101 Non-U.S. addressees (domicile) | 247 | 0 | 247 | 0 | 184 | 0 | 0 | 0 | 62 |
| 102 U.S. government, states, and political subdivisions in United States | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 103 All other | 1,279 | 0 | 1,279 | 0 | 1,182 | 78 | 0 | 0 | 19 |
| 104 Foreign governments and official institutions | 128 | 0 | 128 | 0 | 72 | 56 | 0 | 0 | 0 |
| 105 Commercial banks in United States | 777 | 0 | 777 | 0 | 741 | 22 | 0 | 0 | 14 |
| 106 U.S. branches and agencies of other foreign banks | 42 | 0 | 42 | 0 | 5 | 22 | 0 | 0 | 14 |
| 107 Other commercial banks in United States | 736 | 0 | 736 | 0 | 735 | 0 | 0 | 0 | 0 |
| 108 Banks in foreign countries | 375 | 0 | 375 | 0 | 368 | 0 | 0 | 0 | 6 |

For notes see page A71.

A70 Special Tables □ June 1981

4.30 Continued

| Item | All states ² | | | New York | | Calif. forma. total ³ | Illinois, branches | Other states ² | |
|---|-------------------------|----------|----------|----------|----------|--|-----------------------|---------------------------|----------|
| | Total | Branches | Agencies | Branches | Agencies | | | Branches | Agencies |
| 109 Federal funds purchased and sold under agreement to repurchase | 10,178 | 5,385 | 4,793 | 4,654 | 1,511 | 3,096 | 622 | 110 | 186 |
| <i>By holder</i> | | | | | | | | | |
| 110 Commercial banks in United States | 8,893 | 4,593 | 4,300 | 3,876 | 1,213 | 3,024 | 607 | 110 | 64 |
| 111 Others | 1,285 | 792 | 493 | 777 | 298 | 72 | 15 | 0 | 122 |
| <i>By type</i> | | | | | | | | | |
| 112 One-day maturity or continuing contract | 9,485 | 4,720 | 4,765 | 4,001 | 1,482 | 3,096 | 610 | 110 | 186 |
| 113 Securities sold under agreements to repurchase | 197 | 172 | 25 | 166 | 15 | 11 | 0 | 5 | 0 |
| 114 Other | 9,288 | 4,549 | 4,739 | 3,834 | 1,468 | 3,085 | 610 | 105 | 186 |
| 115 Other securities sold under agreements to repurchase | 693 | 665 | 29 | 653 | 29 | 0 | 12 | 0 | 0 |
| 116 Other liabilities for borrowed money | 43,459 | 15,691 | 27,768 | 13,460 | 5,487 | 22,211 | 1,658 | 573 | 70 |
| 117 Owed to banks | 40,084 | 13,444 | 26,640 | 11,386 | 5,246 | 21,330 | 1,603 | 455 | 64 |
| 118 U.S. addressees (domicile) | 34,008 | 8,773 | 25,234 | 7,500 | 4,542 | 20,633 | 820 | 452 | 59 |
| 119 Non-U.S. addressees (domicile) | 6,076 | 4,671 | 1,406 | 3,885 | 703 | 697 | 783 | 3 | 5 |
| 120 Owed to others | 3,380 | 2,252 | 1,128 | 2,075 | 241 | 881 | 56 | 122 | 6 |
| 121 U.S. addressees (domicile) | 2,478 | 1,602 | 877 | 1,471 | 52 | 824 | 25 | 106 | 0 |
| 122 Non-U.S. addressees (domicile) | 902 | 651 | 251 | 603 | 189 | 56 | 31 | 16 | 6 |
| 123 All other liabilities | 51,196 | 30,067 | 21,129 | 25,303 | 14,319 | 4,838 | 3,469 | 1,276 | 1,991 |
| 124 Acceptances executed and outstanding | 8,649 | 4,289 | 4,360 | 4,152 | 2,850 | 1,483 | 64 | 72 | 27 |
| 125 Net due to related banking institutions ⁵ | 39,012 | 23,080 | 15,932 | 18,707 | 11,065 | 2,946 | 3,207 | 1,147 | 1,941 |
| 126 Other | 3,536 | 2,699 | 837 | 2,443 | 405 | 409 | 198 | 57 | 23 |
| MLMO | | | | | | | | | |
| 127 Time deposits of \$100,000 or more | 27,824 | 27,357 | 467 | 23,908 | 0 | 469 | 612 | 2,836 | 0 |
| 128 Certificates of deposit (CDs) in denominations of \$100,000 or more | 22,261 | 21,874 | 387 | 18,669 | 0 | 389 | 524 | 2,679 | 0 |
| 129 Other | 5,563 | 5,483 | 79 | 5,240 | 0 | 79 | 87 | 157 | 0 |
| 130 Savings deposits authorized for automatic transfer and now accounts | 14 | 10 | 4 | 5 | 0 | 4 | 1 | 3 | 0 |
| 131 Money market time certificates of \$10,000 and less than \$100,000 with original maturities of 26 weeks | 99 | 93 | 6 | 55 | 0 | 5 | 15 | 23 | 0 |
| 132 Time certificates of deposit in denominations of \$100,000 or more with remaining maturity of more than 12 months | 1,235 | 1,154 | 82 | 999 | 0 | 82 | 14 | 141 | 0 |
| 133 Acceptances refinanced with a U.S.-chartered bank | 1,943 | 1,175 | 769 | 1,016 | 451 | 318 | 0 | 159 | 0 |
| 134 Statutory or regulatory asset pledge requirement | 59,809 | 47,853 | 11,956 | 42,548 | 11,911 | 46 | 5,192 | 112 | 0 |
| 135 Statutory or regulatory asset maintenance requirement | 7,094 | 6,770 | 324 | 4,480 | 144 | 0 | 207 | 2,083 | 179 |
| 136 Commercial letters of credit | 8,324 | 4,713 | 3,611 | 4,334 | 1,192 | 2,369 | 214 | 164 | 52 |
| 137 Standby letters of credit, total | 4,529 | 3,367 | 1,163 | 2,917 | 514 | 514 | 267 | 182 | 135 |
| 138 U.S. addressees (domicile) | 3,364 | 2,544 | 820 | 2,315 | 325 | 435 | 141 | 88 | 60 |
| 139 Non-U.S. addressees (domicile) | 1,165 | 822 | 343 | 602 | 189 | 79 | 126 | 94 | 75 |
| 140 Standby letters of credit conveyed to others through participations (included in total standby letters of credit) | 886 | 854 | 32 | 843 | 5 | 27 | 8 | 2 | 0 |
| 141 Holdings of commercial paper included in total gross loans | 1,187 | 1,029 | 158 | 1,019 | 83 | 76 | 9 | 0 | 0 |
| 142 Holdings of acceptances included in total commercial and industrial loans | 4,775 | 2,450 | 2,324 | 2,384 | 1,097 | 1,220 | 32 | 35 | 7 |
| 143 Immediately available funds with a maturity greater than one day (included in other liabilities for borrowed money) | 22,901 | 7,185 | 15,716 | 5,991 | 2,659 | 13,031 | 929 | 264 | 26 |
| 144 Gross due from related banking institutions ⁵ | 54,886 | 23,042 | 31,844 | 20,060 | 14,236 | 17,446 | 945 | 2,038 | 162 |
| 145 U.S. addressees (domicile) | 20,233 | 5,420 | 14,813 | 3,254 | 2,017 | 12,747 | 248 | 1,918 | 49 |
| 146 Branches and agencies in United States | 19,941 | 5,329 | 14,612 | 3,177 | 1,967 | 12,596 | 235 | 1,918 | 48 |
| 147 In the same state as reporter | 500 | 121 | 378 | 103 | 0 | 371 | 0 | 19 | 7 |
| 148 In other states | 19,442 | 5,207 | 14,234 | 3,074 | 1,967 | 12,226 | 235 | 1,899 | 41 |
| 149 U.S. banking subsidiaries ⁶ | 292 | 91 | 201 | 77 | 50 | 151 | 14 | 0 | 0 |
| 150 Non-U.S. addressees (domicile) | 34,653 | 17,622 | 17,031 | 16,806 | 12,219 | 4,699 | 696 | 120 | 113 |
| 151 Head office and non-U.S. branches and agencies | 33,333 | 16,400 | 16,933 | 15,623 | 12,139 | 4,686 | 659 | 118 | 108 |
| 152 Non-U.S. banking companies and offices | 1,320 | 1,222 | 98 | 1,182 | 80 | 13 | 38 | 1 | 5 |
| 153 Gross due to related banking institutions ⁵ | 79,042 | 44,467 | 34,575 | 38,582 | 25,290 | 7,225 | 4,152 | 1,714 | 2,079 |
| 154 U.S. addressees (domicile) | 21,154 | 10,259 | 10,895 | 6,914 | 6,794 | 3,274 | 2,256 | 1,089 | 827 |
| 155 Branches and agencies in United States | 20,942 | 10,180 | 10,762 | 6,847 | 6,700 | 3,245 | 2,246 | 1,087 | 816 |
| 156 In the same state as reporter | 547 | 173 | 375 | 157 | 0 | 374 | 0 | 16 | 0 |
| 157 In other states | 20,394 | 10,007 | 10,387 | 6,690 | 6,700 | 2,871 | 2,246 | 1,071 | 816 |
| 158 U.S. banking subsidiaries ⁶ | 213 | 80 | 133 | 67 | 94 | 29 | 10 | 2 | 11 |
| 159 Non-U.S. addressees (domicile) | 57,887 | 34,208 | 23,680 | 31,667 | 18,496 | 3,951 | 1,896 | 625 | 1,252 |
| 160 Head office and non-U.S. branches and agencies | 55,604 | 32,233 | 23,371 | 29,771 | 18,218 | 3,928 | 1,828 | 614 | 1,245 |
| 161 Non-U.S. banking companies and offices | 2,283 | 1,975 | 309 | 1,896 | 278 | 23 | 68 | 10 | 7 |

4.30 Continued

| Item | All states ² | | | New York | | California, total ³ | Illinois, branches | Other states ³ | |
|---|-------------------------|----------|----------|----------|----------|-----------------------------------|-----------------------|---------------------------|----------|
| | Total | Branches | Agencies | Branches | Agencies | | | Branches | Agencies |
| <i>Average for 30 calendar days (or calendar month) ending with report date</i> | | | | | | | | | |
| 162 Total assets | 148,824 | 87,688 | 61,136 | 75,941 | 29,576 | 29,466 | 6,815 | 4,904 | 2,122 |
| 163 Cash and due from depository institutions | 16,227 | 12,776 | 3,451 | 11,782 | 3,084 | 315 | 884 | 106 | 56 |
| 164 Federal funds sold and securities purchased under agreements to resell | 6,765 | 4,036 | 2,729 | 3,899 | 2,269 | 449 | 120 | 18 | 11 |
| 165 Total loans | 87,083 | 57,225 | 29,859 | 49,198 | 13,700 | 14,379 | 5,125 | 2,891 | 1,790 |
| 166 Loans to banks in foreign countries | 13,040 | 9,936 | 3,104 | 9,405 | 1,711 | 1,345 | 524 | 6 | 48 |
| 167 Total deposits and credit balances | 39,423 | 35,923 | 3,500 | 32,242 | 2,594 | 806 | 774 | 2,901 | 106 |
| 168 Time CDs in denominations of \$100,000 or more | 22,700 | 22,221 | 479 | 19,141 | 71 | 377 | 387 | 2,692 | 31 |
| 169 Federal funds purchased and securities sold under agreements to repurchase | 8,441 | 5,139 | 3,302 | 4,437 | 1,250 | 1,911 | 617 | 85 | 141 |
| 170 Other liabilities for borrowed money | 41,965 | 15,664 | 26,301 | 13,398 | 4,823 | 21,406 | 1,687 | 579 | 72 |
| 171 Number of reports filed ⁷ | 322 | 145 | 177 | 85 | 61 | 91 | 32 | 26 | 27 |

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." This form was first used for reporting data as of June 30, 1980. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G 11, last issued on July 10, 1980. Data in this table and in the G 11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Agencies account for virtually all of the assets and liabilities reported in California.

4. Total assets and total liabilities include *net* balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see footnote 5). On the former monthly branch and agency report, avail-

able through the G 11 statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G 11 tables.

5. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly). Gross amounts due from and due to related banking institutions are shown as memo items.

6. "U.S. banking subsidiaries" refers to U.S. banking subsidiaries majority-owned by the foreign bank and by related foreign banks and includes U.S. offices of U.S.-chartered commercial banks, of Edge Act and Agreement corporations, and of New York State (Article XII) investment companies.

7. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

Federal Reserve Board of Governors

PAUL A. VOLCKER, *Chairman*
 FREDERICK H. SCHULTZ, *Vice Chairman*

HENRY C. WALLICH
 J. CHARLES PARTEE

OFFICE OF BOARD MEMBERS

JOSEPH R. COYNE, *Assistant to the Board*
 DONALD J. WINN, *Assistant to the Board*
 ANTHONY F. COLF, *Special Assistant to the Board*
 WILLIAM R. MALONI, *Special Assistant to the Board*
 FRANK O'BRIEN, JR., *Special Assistant to the Board*
 JOSEPH S. SIMS, *Special Assistant to the Board*
 JAMES L. STULL, *Manager, Operations Review Program*

LEGAL DIVISION

ROBERT E. MANNION, *Deputy General Counsel*
 J. VIRGIL MATTINGLY, JR., *Associate General Counsel*
 GILBERT T. SCHWARTZ, *Associate General Counsel*
 MICHAEL E. BLEIER, *Assistant General Counsel*
 CORNELIUS K. HURLEY, JR., *Assistant General Counsel*
 MARYELLEN A. BROWN, *Assistant to the General Counsel*
 CHARLES R. MCNEILL, *Assistant to the General Counsel*

OFFICE OF THE SECRETARY

BARBARA R. LOWREY, *Assistant Secretary*
 JAMES MCAFEE, *Assistant Secretary*
 D. MICHAEL MANIES, *Assistant Secretary*

DIVISION OF CONSUMER AND COMMUNITY AFFAIRS

JANET O. HART, *Director*
 GRIFFITH L. GARWOOD, *Deputy Director*
 JERARD C. KLUCKMAN, *Associate Director*
 GLENN E. LONEY, *Assistant Director*
 DOLORES S. SMITH, *Assistant Director*

DIVISION OF BANKING SUPERVISION AND REGULATION

JOHN E. RYAN, *Director*
 FREDERICK R. DAHL, *Associate Director*
 WILLIAM TAYLOR, *Associate Director*
 WILLIAM W. WILES, *Associate Director*
 JACK M. EGERTSON, *Assistant Director*
 ROBERT A. JACOBSEN, *Assistant Director*
 DON E. KLINE, *Assistant Director*
 ROBERT S. PLOTKIN, *Assistant Director*
 THOMAS A. SIDMAN, *Assistant Director*
 SAMUEL H. TALLEY, *Assistant Director*
 LAURA M. HOMER, *Securities Credit Officer*

OFFICE OF STAFF DIRECTOR FOR MONETARY AND FINANCIAL POLICY

STEPHEN H. AXILROD, *Staff Director*
 EDWARD C. ETTIN, *Deputy Staff Director*
 MURRAY ALTMANN, *Assistant to the Board*
 PETER M. KEIR, *Assistant to the Board*
 STANLEY J. SIGEL, *Assistant to the Board*
 NORMAND R. V. BERNARD, *Special Assistant to the Board*

DIVISION OF RESEARCH AND STATISTICS

JAMES L. KICHLINE, *Director*
 JOSEPH S. ZEISEL, *Deputy Director*
 MICHAEL J. PRELL, *Associate Director*
 ROBERT A. EISENBEIS, *Senior Deputy Associate Director*
 JARED J. ENZLER, *Senior Deputy Associate Director*
 ELEANOR J. STOCKWELL, *Senior Deputy Associate Director*
 DONALD L. KOHN, *Deputy Associate Director*
 J. CORTLAND G. PERET, *Deputy Associate Director*
 HELMUT F. WENDEL, *Deputy Associate Director*
 MARTHA BETHEA, *Assistant Director*
 JOE M. CLEAVER, *Assistant Director*
 ROBERT M. FISHER, *Assistant Director*
 DAVID E. LINDSLY, *Assistant Director*
 LAWRENCE SLIFMAN, *Assistant Director*
 FREDERICK M. STRUBLE, *Assistant Director*
 STEPHEN P. TAYLOR, *Assistant Director*
 LEVON H. GARABEDIAN, *Assistant Director (Administration)*

DIVISION OF INTERNATIONAL FINANCE

EDWIN M. TRUMAN, *Director*
 ROBERT F. GEMMILL, *Associate Director*
 CHARLES J. SIEGMAN, *Associate Director*
 SAMUEL PIZER, *Staff Adviser*
 DALE W. HENDERSON, *Assistant Director*
 LARRY J. PROMISEL, *Assistant Director*
 RALPH W. SMITH, JR., *Assistant Director*

and Official Staff

NANCY H. TEETERS
EMMETT J. RICE

LYLE E. GRAMLEY

OFFICE OF STAFF DIRECTOR FOR MANAGEMENT

JOHN M. DENKLER, *Staff Director*
EDWARD T. MULRENIN, *Assistant Staff Director*
JOSEPH W. DANIELS, SR., *Director of Equal Employment Opportunity*

DIVISION OF DATA PROCESSING

CHARLES L. HAMPTON, *Director*
BRUCE M. BEARDSLEY, *Deputy Director*
UYLESS D. BLACK, *Associate Director*
GLENN L. CUMMINS, *Assistant Director*
NEAL H. HILLERMAN, *Assistant Director*
C. WILLIAM SCHLEICHER, JR., *Assistant Director*
ROBERT J. ZEMEL, *Assistant Director*

DIVISION OF PERSONNEL

DAVID L. SHANNON, *Director*
JOHN R. WEIS, *Assistant Director*
CHARLES W. WOOD, *Assistant Director*

OFFICE OF THE CONTROLLER

JOHN KAKALEC, *Controller*
GEORGE E. LIVINGSTON, *Assistant Controller*

DIVISION OF SUPPORT SERVICES

DONALD E. ANDERSON, *Director*
WALTER W. KREIMANN, *Associate Director*
ROBERT E. FRAZIER, *Assistant Director*

OFFICE OF STAFF DIRECTOR FOR FEDERAL RESERVE BANK ACTIVITIES

THEODORE E. ALLISON, *Staff Director*
HARRY A. GUNTER, *Assistant Director for Contingency Planning*

DIVISION OF FEDERAL RESERVE BANK OPERATIONS

CLYDE H. FARNSWORTH, JR., *Director*
LORIN S. MEEDER, *Associate Director*
RAYMOND L. TEED, *Associate Director*
WALTER ALTHAUSEN, *Assistant Director*
CHARLES W. BENNETT, *Assistant Director*
RICHARD B. GREEN, *Assistant Director*
ELLIOTT C. MCENTEE, *Assistant Director*
DAVID L. ROBINSON, *Assistant Director*
P. D. RING, *Adviser*

FOMC and Advisory Councils

FEDERAL OPEN MARKET COMMITTEE

PAUL A. VOLCKER, *Chairman*

ANTHONY M. SOLOMON, *Vice Chairman*

EDWARD G. BOEHNE
ROBERT H. BOYKIN
E. GERALD CORRIGAN

LYLE E. GRAMLEY
J. CHARLES PARTEE
EMMETT J. RICE

FREDERICK H. SCHULTZ
NANCY H. TEETERS
HENRY C. WALLICH

STEPHEN H. AXILROD, *Staff Director*
MURRAY ALTMANN, *Secretary*
NORMAND R. V. BERNARD, *Assistant Secretary*
NANCY M. STEELE, *Deputy Assistant Secretary*
JAMES H. OLTMAN, *Deputy General Counsel*
ROBERT E. MANNION, *Assistant General Counsel*
JAMES L. KICHLINE, *Economist*
ALAN R. HOLMES, *Adviser for Market Operations*
JOSEPH E. BURNS, *Associate Economist*

JOHN P. DANFORTH, *Associate Economist*
RICHARD G. DAVIS, *Associate Economist*
EDWARD C. ETTIN, *Associate Economist*
PETER M. KEIR, *Associate Economist*
DONALD J. MULLINEAUX, *Associate Economist*
MICHAEL J. PRELL, *Associate Economist*
KARL L. SCHELD, *Associate Economist*
EDWIN M. TRUMAN, *Associate Economist*
JOSEPH S. ZEISEL, *Associate Economist*

PETER D. STERNLIGHT, *Manager for Domestic Operations, System Open Market Account*
SCOTT E. PARDEE, *Manager for Foreign Operations, System Open Market Account*

FEDERAL ADVISORY COUNCIL

MERLE E. GILLIAND, *Fourth District, President*
CHAUNCEY E. SCHMIDT, *Twelfth District, Vice President*

WILLIAM S. EDGERLY, *First District*
DONALD C. PIATTEN, *Second District*
JOHN H. WALTHER, *Third District*
J. OWEN COLE, *Fifth District*
ROBERT STRICKLAND, *Sixth District*

ROBERT M. SURDAM, *Seventh District*
RONALD TERRY, *Eighth District*
CLARENCE G. FRAME, *Ninth District*
GORDON E. WELLS, *Tenth District*
T. C. FROST, JR., *Eleventh District*

HERBERT V. PROCHNOW, *Secretary*
WILLIAM J. KORSVIK, *Associate Secretary*

CONSUMER ADVISORY COUNCIL

RALPH J. ROHNER, *Washington D.C., Chairman*
CHARLOTTE H. SCOTT, *Charlottesville, Virginia, Vice Chairman*

ARTHUR F. BOUTON, *Little Rock, Arkansas*
JULIA H. BOYD, *Alexandria, Virginia*
ELLEN BROADMAN, *Washington, D.C.*
JAMES L. BROWN, *Milwaukee, Wisconsin*
MARK E. BUDNITZ, *Atlanta, Georgia*
JOSEPH N. CUGINI, *Westerly, Rhode Island*
RICHARD S. D'AGOSTINO, *Philadelphia, Pennsylvania*
SUSAN PIERSON DE WITT, *Springfield, Illinois*
JOANNE S. FAULKNER, *New Haven, Connecticut*
LUTHER GATLING, *New York, New York*
VERNARD W. HENLEY, *Richmond, Virginia*
JUAN JESUS HINOJOSA, *McAllen, Texas*
SHIRLEY T. HOSOI, *Los Angeles, California*
GEORGE S. IRVIN, *Denver, Colorado*

F. THOMAS JUSTER, *Ann Arbor, Michigan*
RICHARD F. KERR, *Cincinnati, Ohio*
HARVEY M. KUHNLEY, *Minneapolis, Minnesota*
THE REV. ROBERT J. McEWEN, S.J., *Chestnut Hill, Massachusetts*
STAN L. MULARZ, *Chicago, Illinois*
WILLIAM J. O'CONNOR, *Buffalo, New York*
MARGARET REILLY-PETRONI, *Upper Montclair, New Jersey*
RENE REIXACH, *Rochester, New York*
FLORENCE M. RICE, *New York, New York*
HENRY B. SCHECHTER, *Washington, D.C.*
PETER D. SCHELLIE, *Washington, D.C.*
NANCY Z. SPILLMAN, *Los Angeles, California*
RICHARD A. VAN WINKLE, *Salt Lake City, Utah*
MARY W. WALKER, *Monroe, Georgia*

Federal Reserve Banks, Branches, and Offices

| FEDERAL RESERVE BANK, branch, or facility | Zip | Chairman Deputy Chairman | President First Vice President | Vice President in charge of branch |
|---|-------|--|---|--|
| BOSTON* | 02106 | Robert P. Henderson Thomas I. Atkins | Frank E. Morris James A. McIntosh | |
| NEW YORK* | 10045 | Robert H. Knight, Esq. Boris Yavitz | Anthony M. Solomon Thomas M. Timlen | John T. Keane |
| Buffalo | 14240 | Frederick D. Berkeley, III | | |
| PHILADELPHIA | 19105 | John W. Eckman Jean A. Crockett | Edward G. Boehne Richard L. Smoot | |
| CLEVELAND* | 44101 | J. L. Jackson William H. Knoell | Willis J. Winn Walter H. MacDonald | Robert E. Showalter Harold J. Swart |
| Cincinnati | 45201 | Martin B. Friedman | | |
| Pittsburgh | 15230 | Milton G. Hulme, Jr. | | |
| RICHMOND* | 23219 | Maceo A. Sloan Steven Muller | Robert P. Black Jimmie R. Monhollon | Robert D. McTeer, Jr. Stuart P. Fishburne |
| Baltimore | 21203 | Joseph H. McLain | | |
| Charlotte | 28230 | Naomi G. Albanese | | |
| <i>Culpeper Communications and Records Center</i> | 22701 | | | Albert D. Tinkelenberg |
| ATLANTA | 30301 | William A. Fickling, Jr. John H. Weitnauer, Jr. | William F. Ford Robert P. Forrestal | Hiram J. Honea Charles D. East F. J. Craven, Jr. Jeffrey J. Wells James D. Hawkins |
| Birmingham | 35202 | Louis J. Willie | | |
| Jacksonville | 32231 | Jerome P. Keuper | | |
| Miami | 33152 | Roy W. Vandegrift, Jr. | | |
| Nashville | 37203 | John C. Bolinger, Jr. | | |
| New Orleans | 70161 | Horatio C. Thompson | | |
| CHICAGO* | 60690 | John Sagan Stanton R. Cook | Vacancy Daniel M. Doyle | William C. Conrad |
| Detroit | 48231 | Herbert H. Dow | | |
| ST. LOUIS | 63166 | Armand C. Stalnakar William B. Walton | Lawrence K. Roos Donald W. Moriarty, Jr. | John F. Breen Donald L. Henry Robert E. Matthews |
| Little Rock | 72203 | E. Ray Kemp, Jr. | | |
| Louisville | 40232 | Sister Eileen M. Egan | | |
| Memphis | 38101 | Patricia W. Shaw | | |
| MINNEAPOLIS | 55480 | Stephen F. Keating William G. Phillips | E. Gerald Corrigan Thomas E. Gainor | Betty J. Lindstrom |
| Helena | 59601 | Norris E. Hanford | | |
| KANSAS CITY | 64198 | Paul H. Henson Doris M. Drury | Roger Guffey Henry R. Czerwinski | Wayne W. Martin William G. Evans Robert D. Hamilton |
| Denver | 80217 | Caleb B. Hurtt | | |
| Oklahoma City | 73125 | Christine H. Anthony | | |
| Omaha | 68102 | Robert G. Lueder | | |
| DALLAS | 75222 | Gerald D. Hines John V. James | Robert H. Boykin William H. Wallace | Joel L. Koonce, Jr. J. Z. Rowe Thomas H. Robertson |
| El Paso | 79999 | Josefina A. Salas-Porras | | |
| Houston | 77001 | Jerome L. Howard | | |
| San Antonio | 78295 | Lawrence L. Crum | | |
| SAN FRANCISCO | 94120 | Cornell C. Maier Caroline L. Ahmanson | John J. Balles John B. Williams | Richard C. Dunn Angelo S. Carella A. Grant Holman Gerald R. Kelly |
| Los Angeles | 90051 | Harvey A. Proctor | | |
| Portland | 97208 | John C. Hampton | | |
| Salt Lake City | 84130 | Wendell J. Ashton | | |
| Seattle | 98124 | George H. Weyerhaeuser | | |

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jercho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

Federal Reserve Board Publications

Copies are available from PUBLICATIONS SERVICES, Room MP-510, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. When a charge is indicated, remittance should accompany request and be made

payable to the order of the Board of Governors of the Federal Reserve System. Remittance from foreign residents should be drawn on a U.S. bank. Stamps and coupons are not accepted.

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. 1974. 125 pp.

ANNUAL REPORT.

FEDERAL RESERVE BULLETIN. Monthly. \$20.00 per year or \$2.00 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, \$18.00 per year or \$1.75 each. Elsewhere, \$24.00 per year or \$2.50 each.

BANKING AND MONETARY STATISTICS. 1914-1941. (Reprint of Part I only) 1976. 682 pp. \$5.00.

BANKING AND MONETARY STATISTICS, 1941-1970. 1976. 1,168 pp. \$15.00.

ANNUAL STATISTICAL DIGEST

1971-75. 1976. 339 pp. \$4.00 per copy for each paid subscription to *Federal Reserve Bulletin*; all others \$5.00 each.

1972-76. 1977. 377 pp. \$10.00 per copy.

1973-77. 1978. 361 pp. \$12.00 per copy.

1974-78. 1980. 305 pp. \$10.00 per copy.

1970-79. 1981. 587 pp. \$20.00 per copy.

FEDERAL RESERVE CHART BOOK. Issued four times a year in February, May, August, and November. Subscription includes one issue of Historical Chart Book. \$7.00 per year or \$2.00 each in the United States, its possessions, Canada, and Mexico. Elsewhere, \$10.00 per year or \$3.00 each.

HISTORICAL CHART BOOK. Issued annually in Sept. Subscription to Federal Reserve Chart Book includes one issue. \$1.25 each in the United States, its possessions, Canada, and Mexico; 10 or more to one address, \$1.00 each. Elsewhere, \$1.50 each.

SELECTED INTEREST AND EXCHANGE RATES—WEEKLY SERIES OF CHARTS. Weekly. \$15.00 per year or \$.40 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, \$13.50 per year or \$.35 each. Elsewhere, \$20.00 per year or \$.50 each.

THE FEDERAL RESERVE ACT, as amended through December 1976, with an appendix containing provisions of certain other statutes affecting the Federal Reserve System. 307 pp. \$2.50.

REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

PUBLISHED INTERPRETATIONS OF THE BOARD OF GOVERNORS, as of June 30, 1980. \$7.50.

BANK CREDIT-CARD AND CHECK-CREDIT PLANS. 1968. 102 pp. \$1.00 each; 10 or more to one address, \$.85 each.

REPORT OF THE JOINT TREASURY-FEDERAL RESERVE STUDY OF THE U.S. GOVERNMENT SECURITIES MARKET. 1969. 48 pp. \$.25 each; 10 or more to one address, \$.20 each.

JOINT TREASURY-FEDERAL RESERVE STUDY OF THE GOVERNMENT SECURITIES MARKET; STAFF STUDIES—PART 1. 1970. 86 pp. \$.50 each; 10 or more to one address, \$.40 each. Part 2, 1971. 153 pp. and Part 3, 1973. 131 pp. Each volume \$1.00; 10 or more to one address, \$.85 each.

OPEN MARKET POLICIES AND OPERATING PROCEDURES—STAFF STUDIES. 1971. 218 pp. \$2.00 each; 10 or more to one address, \$1.75 each.

REAPPRAISAL OF THE FEDERAL RESERVE DISCOUNT MECHANISM. Vol. 1. 1971. 276 pp. Vol. 2. 1971. 173 pp. Vol. 3. 1972. 220 pp. Each volume \$3.00; 10 or more to one address, \$2.50 each.

THE ECONOMETRICS OF PRICE DETERMINATION CONFERENCE, October 30-31, 1970, Washington, D.C. 1972. 397 pp. Cloth ed. \$5.00 each; 10 or more to one address, \$4.50 each. Paper ed. \$4.00 each; 10 or more to one address, \$3.60 each.

FEDERAL RESERVE STAFF STUDY: WAYS TO MODERATE FLUCTUATIONS IN HOUSING CONSTRUCTION. 1972. 487 pp. \$4.00 each; 10 or more to one address, \$3.60 each.

LENDING FUNCTIONS OF THE FEDERAL RESERVE BANKS. 1973. 271 pp. \$3.50 each; 10 or more to one address, \$3.00 each.

IMPROVING THE MONETARY AGGREGATES: REPORT OF THE ADVISORY COMMITTEE ON MONETARY STATISTICS 1976. 43 pp. \$1.00 each; 10 or more to one address, \$.85 each.

ANNUAL PERCENTAGE RATE TABLES (Truth in Lending—Regulation Z) Vol. I (Regular Transactions). 1969. 100 pp. Vol. II (Irregular Transactions). 1969. 116 pp. Each volume \$1.00; 10 or more of same volume to one address, \$.85 each.

FEDERAL RESERVE MEASURES OF CAPACITY AND CAPACITY UTILIZATION. 1978. 40 pp. \$1.75 each; 10 or more to one address, \$1.50 each.

THE BANK HOLDING COMPANY MOVEMENT TO 1978: A COMPENDIUM. 1978. 289 pp. \$2.50 each; 10 or more to one address, \$2.25 each.

IMPROVING THE MONETARY AGGREGATES: STAFF PAPERS. 1978. 170 pp. \$4.00 each; 10 or more to one address, \$3.75 each.

1977 CONSUMER CREDIT SURVEY. 1978. 119 pp. \$2.00 each.

FLOW OF FUNDS ACCOUNTS. 1949-1978. 1979. 171 pp. \$1.75 each; 10 or more to one address, \$1.50 each.

INTRODUCTION TO FLOW OF FUNDS. 1980. 68 pp. \$1.50 each; 10 or more to one address, \$1.25 each.

PUBLIC POLICY AND CAPITAL FORMATION. 1981. 326 pp. \$13.50 each.

NEW MONETARY CONTROL PROCEDURES: FEDERAL RESERVE STAFF STUDY. 1981.

CONSUMER EDUCATION PAMPHLETS

Short pamphlets suitable for classroom use. Multiple copies available without charge.

Alice in Debitland
 The Board of Governors of the Federal Reserve System
 Consumer Handbook To Credit Protection Laws
 The Equal Credit Opportunity Act and . . . Age
 The Equal Credit Opportunity Act and . . . Credit Rights in Housing
 The Equal Credit Opportunity Act and . . . Doctors, Lawyers, Small Retailers, and Others Who May Provide Incidental Credit
 The Equal Credit Opportunity Act and . . . Women
 Fair Credit Billing
 The Federal Open Market Committee
 Federal Reserve Bank Board of Directors
 Federal Reserve Banks
 Federal Reserve Glossary
 How to File A Consumer Credit Complaint
 If You Borrow To Buy Stock
 If You Use A Credit Card
 Truth in Leasing
 U.S. Currency
 What Truth in Lending Means to You

STAFF STUDIES

Studies and papers on economic and financial subjects that are of general interest.

Summaries Only Printed in the Bulletin

Requests to obtain single copies of the full text or to be added to the mailing list for the series may be sent to Publications Services.

TIE-INS BETWEEN THE GRANTING OF CREDIT AND SALES OF INSURANCE BY BANK HOLDING COMPANIES AND OTHER LENDERS, by Robert A. Eisenbeis and Paul R. Schweitzer. Feb. 1979. 75 pp.
 MEASURES OF CAPACITY UTILIZATION: PROBLEMS AND TASKS, by Frank de Leeuw, Lawrence R. Forest, Jr., Richard D. Raddock, and Zoltan E. Kenessey. July 1979. 264 pp.

THE GNMA-GUARANTEED PASSTHROUGH SECURITY: MARKET DEVELOPMENT AND IMPLICATIONS FOR THE GROWTH AND STABILITY OF HOME MORTGAGE LENDING, by David F. Seiders. Dec. 1979. 65 pp.
 FOREIGN OWNERSHIP AND THE PERFORMANCE OF U.S. BANKS, by James V. Houpt. July 1980. 27 pp.
 PERFORMANCE AND CHARACTERISTICS OF EDGE CORPORATIONS, by James V. Houpt. Feb. 1981. 56 pp.
 BANKING STRUCTURE AND PERFORMANCE AT THE STATE LEVEL DURING THE 1970s, by Stephen A. Rhoades. Mar. 1981. 26 pp.

REPRINTS

Most of the articles reprinted do not exceed 12 pages.

Measures of Security Credit. 12/70.
 Revision of Bank Credit Series. 12/71.
 Assets and Liabilities of Foreign Branches of U.S. Banks. 2/72.
 Bank Debits, Deposits, and Deposit Turnover—Revised Series. 7/72.
 Rates on Consumer Instalment Loans. 9/73.
 New Series for Large Manufacturing Corporations. 10/73.
 The Structure of Margin Credit. 4/75.
 Industrial Electric Power Use. 1/76.
 Revised Series for Member Bank Deposits and Aggregate Reserves. 4/76.
 Industrial Production—1976 Revision. 6/76.
 Federal Reserve Operations in Payment Mechanisms: A Summary. 6/76.
 The Federal Budget in the 1970's. 9/78.
 Redefining the Monetary Aggregates. 1/79.
 Implementation of the International Banking Act. 10/79.
 Perspectives on Personal Saving. 8/80.
 The Impact of Rising Oil Prices on the Major Foreign Industrial Countries. 10/80.
 Federal Reserve and the Payments System: Upgrading Electronic Capabilities for the 1980s. 2/81.
 U.S. International Transactions in 1980. 4/81.
 Survey of Finance Companies, 1980. 5/81.

*ANTICIPATED SCHEDULE OF RELEASE DATES FOR PERIODIC RELEASES—
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM¹*

| <i>Weekly Releases</i> | <i>Approximate release days</i> | <i>Date or period to which data refer</i> |
|--|-------------------------------------|--|
| Aggregate Reserves and Member Bank Deposits. H.3 (502) [1.22] | Monday | Week ended previous Wednesday |
| Actions of the Board; Applications and Reports. H.2 (501) | Friday | Week ended previous Saturday |
| Assets and Liabilities of Domestically Chartered Commercial Banks. H.8 (510) [1.25] | Tuesday | Wednesday, 2 weeks earlier |
| Changes in State Member Banks. K.3 (615) | Tuesday | Week ended previous Saturday |
| Factors Affecting Reserves of Depository Institutions and Condition Statement of Federal Reserve Banks. H.4.1 (503) [1.11] | Friday | Week ended previous Wednesday |
| Foreign Exchange Rates. H.10 (512) [3.28] | Monday | Week ended previous Friday |
| Money Stock Measures and Liquid Assets. H.6 (508) [1.21] | Friday | Week ended Wednesday of previous week |
| Selected Borrowings in Immediately Available Funds of Large Member Banks. H.5 (507) [1.13] | Thursday | Week ended Thursday of previous week |
| Selected Interest Rates. H.15 (519) [1.35] | Monday | Week ended previous Saturday |
| Weekly Consolidated Condition Report of Large Commercial Banks and Domestic Subsidiaries. H.4.2 (504) [1.29] | Friday | Wednesday, 1 week earlier |
| Weekly Summary of Banking and Credit Measures. H.9 (511) | Friday | Week ended previous Wednesday; and week ended Wednesday of previous week |
| <i>Monthly Releases</i> | | |
| Capacity Utilization: Manufacturing and Materials. G.3 (402) [2.11] | Mid-month | Previous month |
| Changes in Status of Banks and Branches. G.4.5 (404) | 25th of month | Previous month |
| Commercial and Industrial Loans to U.S. Addressees Excluding Bankers' Acceptances and Commercial Paper by Industry. G.27 (429) | 1st Wednesday of month | Last Wednesday of previous month |
| Consumer Installment Credit. G.19 (421) [1.56, 1.57] | 3rd working day of month | 2nd month previous |
| Debits and Deposit Turnover at Commercial Banks. G.6 (406) [1.20] | 25th of month | Previous month |
| Finance Companies. G.20 (422) [1.52, 1.53] | 5th working day of month | 2nd month previous |
| Foreign Exchange Rates. G.5 (405) [3.28] | 1st of month | Previous month |

1. Release dates are those anticipated or usually met. However, please note that for some releases there is normally a certain variability because of reporting or processing procedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated.

The BULLETIN table that reports these data is designated in brackets.

| <i>Monthly Releases</i> — Continued | <i>Approximate release days</i> | <i>Date or period to which data refer</i> |
|--|--|---|
| Industrial Production. G.12.3 (414) [2.13] | Mid-month | Previous month |
| Loan Commitments at Selected Large Commercial Banks. G.21 (423) | 20th of month | 2nd month previous |
| Loans and Securities at all Commercial Banks. G.7 (407) [1.23] | 20th of month | Previous month |
| Major Nondeposit Funds of Commercial Banks. G.10 (411) [1.24] | 20th of month | Previous month |
| Maturity Distribution of Outstanding Negotiable Time Certificates of Deposit. G.9 (410) | 24th of month | Last Wednesday of previous month |
| Research Library—Recent Acquisitions. G.15 (417) | 1st of month | Previous month |
| Selected Interest Rates. G.13 (415) [1.35] | 6th of month | Previous month |
| Summary of Equity Security Transactions. G.16 (418) | Last week of month | Release date |
| <i>Quarterly Releases</i> | | |
| Agricultural Finance Databook E.15 (125) | End of February, May, August, and November | January, April, July, and October |
| Automobile Credit. E.4 (114) | 14th of April, July, October, and January | Previous quarter |
| Finance Rates and Other Terms on Selected Types of Consumer Installment Credit Extended by Major Finance Companies. E.10 (120) | 25th of January, April, July and October | 2nd month previous |
| Flow of Funds: Seasonally adjusted and unadjusted. Z.1 (780) [1.58, 1.59] | 15th of February, May, August, and November | Previous quarter |
| Geographical Distribution of Assets and Liabilities of Major Foreign Branches of U.S. Banks. E.11 (121) | 15th of March, June, September, and December | Previous quarter |
| Finance Rates on Selected Consumer Installment Loans at Reporting Commercial Banks. E.12 (122) | 15th of March, June, September, and December | February, May, August, and November |
| Survey of Terms of Bank Lending. E.2 (111) [1.34] | 15th of March, June, September, and December | February, May, August, and November |
| <i>Semiannual Releases</i> | | |
| Assets and Liabilities of Commercial Banks, by Class of Bank. E.3.4 (113) [1.26, 1.27, 1.28] | May and November | End of previous December and June |
| Check Collection Services-Federal Reserve System. E.9 (119) | February and July | Previous 6 months |
| Country Exposure Lending Survey. E.16 (126) | May and November | End of previous December and June |
| List of OTC Margin Stocks. E.7 (117) | April and October | Release date |
| Assets, Liabilities, and Capital Accounts of Commercial and Mutual Savings Banks—Reports of Call (Joint Release of the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and Office of the Comptroller of the Currency. Published and distributed by FDIC.) | May and November | End of previous December and June |

| <i>Annual Releases</i> | <i>Approximate release days</i> | <i>Date or period to which data refer</i> |
|--|-------------------------------------|---|
| Aggregate Summaries of Annual Surveys of Security Credit Extension. C.2 (101) | February | End of previous June |
| Bank Holding Companies and Subsidiary Banks. C.6 (105) | March | Previous year |
| Insured Bank Income by Size of Bank. C.4 (103) | End of May | Previous year |

Index to Statistical Tables

References are to pages A-3 through A-71 although the prefix "A" is omitted in this index

- ACCEPTANCES, bankers, 10, 23, 25
 Agricultural loans, commercial banks, 18, 19, 20, 24
 Assets and liabilities (*See also* Foreigners)
 Banks, by classes, 17, 18-21, 27
 Domestic finance companies, 37
 Federal Reserve Banks, 11
 Foreign banks, U.S. branches and agencies, 68-71
 Nonfinancial corporations, current, 36
 Automobiles
 Consumer installment credit, 40, 41
 Production, 46, 47
- BANKERS balances, 17, 18-20 (*See also* Foreigners)
 Banks for Cooperatives, 33
 Bonds (*See also* U.S. government securities)
 New issues, 34
 Yields, 3
 Branch banks, 15, 21, 54, 68-71
 Business activity, nonfinancial, 44
 Business expenditures on new plant and equipment, 36
 Business loans (*See* Commercial and industrial loans)
- CAPACITY utilization, 44
 Capital accounts
 Banks, by classes, 17
 Federal Reserve Banks, 11
 Central banks, 66
 Certificates of deposit, 21, 25
 Commercial and industrial loans
 Commercial banks, 15, 24
 Weekly reporting banks, 18-21, 22
 Commercial banks
 Assets and liabilities, 3, 15, 17, 18-21
 Business loans, 24
 Commercial and industrial loans, 22, 24
 Consumer loans held, by type, 40, 41
 Loans sold outright, 21
 Nondeposit funds, 16
 Number, 17
 Real estate mortgages held, by holder and property, 39
 Commercial paper, 3, 23, 25, 37
 Condition statements (*See* Assets and liabilities)
 Construction, 44, 48
 Consumer installment credit, 40, 41
 Consumer prices, 44, 49
 Consumption expenditures, 50, 51
 Corporations
 Profits and their distribution, 35
 Security issues, 34, 63
 Cost of living (*See* Consumer prices)
 Credit unions, 27, 40, 41
 Currency and coin, 5, 17
 Currency in circulation, 4, 13
 Customer credit, stock market, 26
- DEBITS to deposit accounts, 12
 Debt (*See specific types of debt or securities*)
 Demand deposits
 Adjusted, commercial banks, 12, 14
 Banks, by classes, 17, 18-21
 Ownership by individuals, partnerships, and corporations, 23
 Demand deposits—Continued
 Subject to reserve requirements, 14
 Turnover, 12
 Depository institutions
 Reserve requirements, 8
 Reserves, 3, 4, 5, 14
 Deposits (*See also specific types*)
 Banks, by classes, 3, 17, 18-21, 27
 Federal Reserve Banks, 4, 11
 Turnover, 12
 Discount rates at Reserve Banks (*See* Interest rates)
 Discounts and advances by Reserve Banks (*See* Loans)
 Dividends, corporate, 35
- EMPLOYMENT, 44, 45
 Eurodollars, 25
- FARM mortgage loans, 39
 Farmers Home Administration, 39
 Federal agency obligations, 4, 10, 11, 12, 32
 Federal and federally sponsored credit agencies, 33
 Federal finance
 Debt subject to statutory limitation and types and ownership of gross debt, 30
 Receipts and outlays, 28, 29
 Treasury operating balance, 28
 Federal Financing Bank, 28, 33
 Federal funds, 3, 6, 18, 19, 20, 25, 28
 Federal Home Loan Banks, 33
 Federal Home Loan Mortgage Corporation, 33, 38, 39
 Federal Housing Administration, 33, 38, 39
 Federal Intermediate Credit Banks, 33
 Federal Land Banks, 33, 39
 Federal National Mortgage Association, 33, 38, 39
 Federal Reserve Banks
 Condition statement, 11
 Discount rates (*See* Interest rates)
 U.S. government securities held, 4, 11, 12, 30, 31
 Federal Reserve credit, 4, 5, 11, 12
 Federal Reserve notes, 11
 Federally sponsored credit agencies, 33
 Finance companies
 Assets and liabilities, 37
 Business credit, 37
 Loans, 18, 19, 20, 40, 41
 Paper, 23, 25
 Financial institutions, loans to, 18, 19, 20
 Float, 4
 Flow of funds, 42, 43
- Foreign
 Banks, assets and liabilities of U.S. branches and agencies, 68-71
 Currency operations, 11
 Deposits in U.S. banks, 4, 11, 18, 19, 20
 Exchange rates, 66
 Trade, 53
 Foreigners
 Claims on, 54, 56, 59, 60, 61, 65
 Liabilities to, 21, 54-58, 62-64
- GOLD
 Certificates, 11
 Stock, 4, 53

Government National Mortgage Association, 33, 38, 39
Gross national product, 50, 51

HOUSING, new and existing units, 48

INCOME, personal and national, 44, 50, 51

Industrial production, 44, 46

Installment loans, 40, 41

Insurance companies, 27, 30, 31, 39

Interbank loans and deposits, 17

Interest rates

Bonds, 3

Business loans of banks, 24

Federal Reserve Banks, 3, 7

Foreign countries, 66

Money and capital markets, 3, 25

Mortgages, 3, 38

Prime rate, commercial banks, 24

Time and savings deposits, 9

International capital transactions of the United States, 54–65

International organizations, 54–59, 62–65

Inventories, 50

Investment companies, issues and assets, 35

Investments (*See also specific types*)

Banks, by classes, 17, 27

Commercial banks, 3, 15, 17, 18–20

Federal Reserve Banks, 11, 12

Life insurance companies, 27

Savings and loan associations, 27

LABOR force, 45

Life insurance companies (*See Insurance companies*)

Loans (*See also specific types*)

Banks, by classes, 17, 18–21, 27

Commercial banks, 3, 15, 17, 18–21, 22, 24

Federal Reserve Banks, 3, 4, 5, 7, 11, 12

Insurance companies, 27, 39

Insured or guaranteed by United States, 38, 39

Savings and loan associations, 27

MANUFACTURING

Capacity utilization, 44

Production, 44, 47

Margin requirements, 26

Member banks

Assets and liabilities, by classes, 17

Borrowings at Federal Reserve Banks, 5, 11

Federal funds and repurchase agreements, 6

Reserve requirements, 8

Reserves and related items, 14

Mining production, 47

Mobile home shipments, 48

Monetary aggregates, 3, 14

Money and capital market rates (*See Interest rates*)

Money stock measures and components, 3, 13

Mortgages (*See Real estate loans*)

Mutual funds (*See Investment companies*)

Mutual savings banks, 3, 9, 18–20, 27, 30, 31, 39

NATIONAL defense outlays, 29

National income, 50

OPEN market transactions, 10

PERSONAL income, 51

Prices

Consumer and producer, 44, 49

Stock market, 26

Prime rate, commercial banks, 24

Production, 44, 46

Profits, corporate, 35

REAL estate loans

Banks, by classes, 18–20, 27, 29

Life insurance companies, 27

Mortgage terms, yields, and activity, 3, 38

Type of holder and property mortgaged, 39

Repurchase agreements and federal funds, 6, 18, 19, 20

Reserve requirements, 8

Reserves

Commercial banks, 17

Depository institutions, 3, 4, 5, 14

Federal Reserve Banks, 11

Member banks, 14

U.S. reserve assets, 53

Residential mortgage loans, 38

Retail credit and retail sales, 40, 41, 44

SAVING

Flow of funds, 42, 43

National income accounts, 51

Savings and loan assns., 3, 9, 27, 31, 39, 42

Savings deposits (*See Time deposits*)

Savings institutions, selected assets, 27

Securities (*See also U.S. government securities*)

Federal and federally sponsored agencies, 33

Foreign transactions, 63

New issues, 34

Prices, 26

Special drawing rights, 4, 11, 52, 53

State and local governments

Deposits, 18, 19, 20

Holdings of U.S. government securities, 30, 31

New security issues, 34

Ownership of securities of, 18, 19, 20, 27

Yields of securities, 3

Stock market, 26

Stocks (*See also Securities*)

New issues, 34

Prices, 26

TAX receipts, federal, 29

Time deposits, 3, 9, 12, 14, 17, 18–21

Trade, foreign, 53

Treasury currency, Treasury cash, 4

Treasury deposits, 4, 11, 28

Treasury operating balance, 28

UNEMPLOYMENT, 45

U.S. balance of payments, 52

U.S. government balances

Commercial bank holdings, 18, 19, 20

Member bank holdings, 14

Treasury deposits at Reserve Banks, 4, 11, 28

U.S. government securities

Bank holdings, 17, 18–20, 27, 30, 31

Dealer transactions, positions, and financing, 32

Federal Reserve Bank holdings, 4, 11, 12, 30, 31

Foreign and international holdings and transactions, 11, 30, 62

Open market transactions, 10

Outstanding, by type and ownership, 30, 31

Rates, 3, 25

Utilities, production, 47

VETERANS Administration, 38, 39

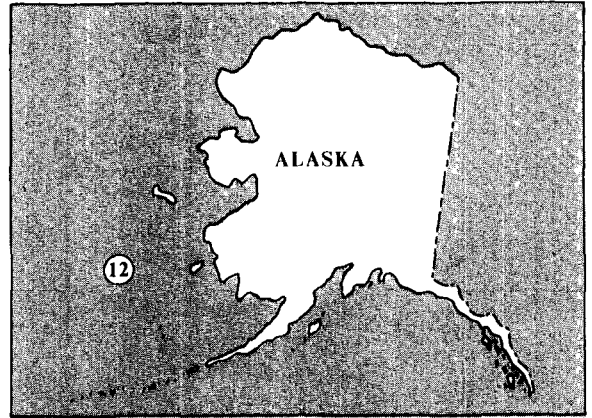
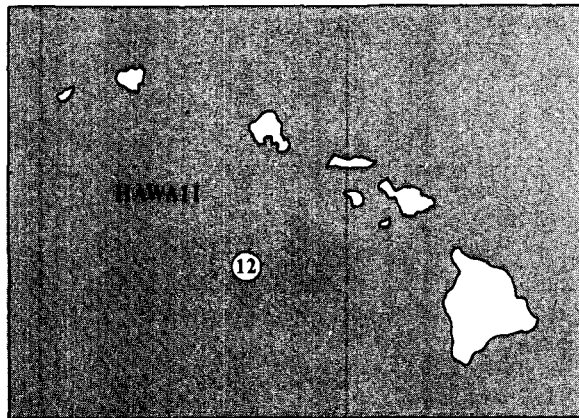
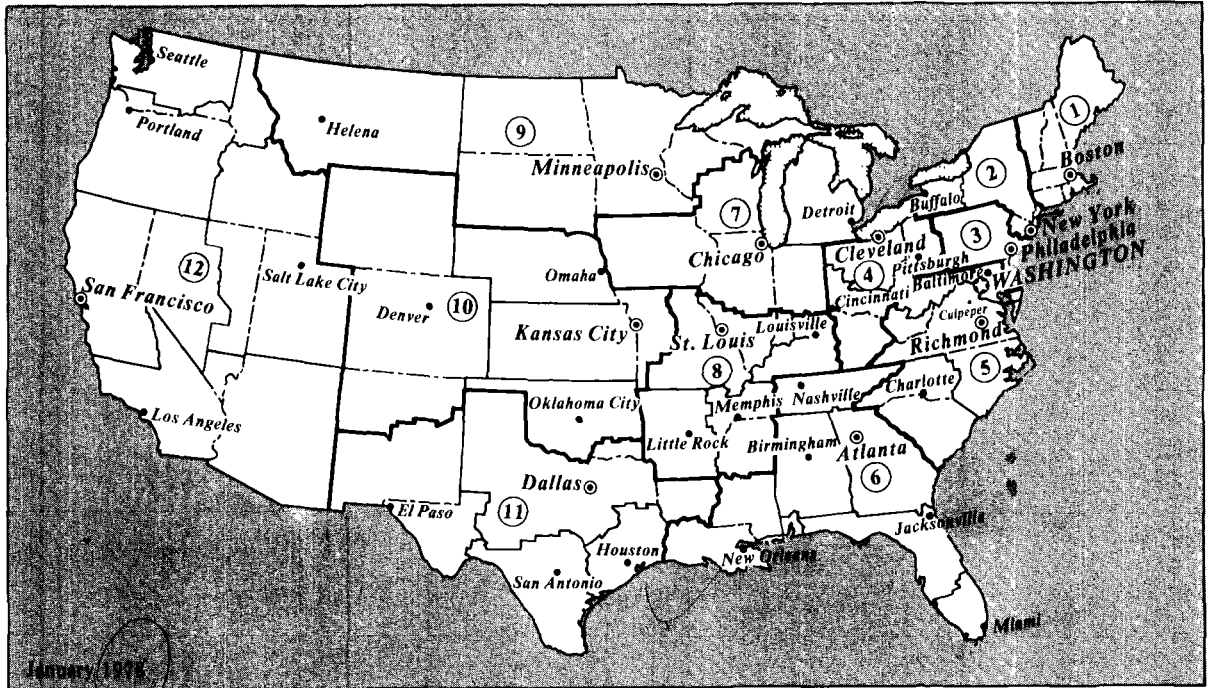
WEEKLY reporting banks, 18–22

Wholesale (producer) prices, 44, 49

YIELDS (*See Interest rates*)

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility