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The Commercial Paper Market since the Mid-Seventies

This article was prepared by Evelyn M. Hurley, of the Capital Markets Section of the Board's Division of Research and Statistics.

Over the past decade more and more corporations have turned to the commercial paper market to obtain short-term credit. About 500 new companies have begun to issue commercial paper since 1974, bringing the total number of issuers to 1,200. Many of the new entrants are industrial concerns—mostly of medium size—that have found it advantageous to borrow through paper backed by letters of credit. Another important development since the mid-1970s has been the appearance of foreign issuers, which previously had been virtually unknown in the commercial paper market; several tax-exempt entities also have issued paper in the last few years. As a consequence of increased activity by both new and previous issuers, the total volume of paper outstanding has more than tripled since the mid-1970s to slightly more than $170 billion (table 1 and chart 1).

Purchases by money market mutual funds have facilitated this expansion, particularly over the past two years. Since the late 1970s money funds have expanded tremendously as the public has shifted funds out of deposits with regulated rates into short-term assets paying market yields. Other investors in commercial paper are bank trust departments and, in much smaller amounts, life insurance companies, pension funds, and nonfinancial corporations. Individuals buying on their own account are thought to play only a minor role.

Like most financial markets, the commercial paper market has experienced a great deal of short-run variability in both interest rates and issuance over the past two or three years (chart 2). Moreover, business firms in the aggregate have experienced some of the most severe financial distress of the postwar era during this period. In spite of these difficulties, the paper market has functioned smoothly. In 1970 and 1974, also years of weak economic activity and high interest rates, the flow of credit through the commercial paper market was disrupted for many lower-rated companies by the highly publicized difficulties of a few issuers. Apparently, in the current period, rating agencies and dealers alike are maintaining close surveillance of the creditworthiness of individual issuers, and market participants thus have become more efficient in identifying problem firms at a stage when such firms can withdraw from the paper market in an orderly fashion. In addition, mechanisms to support the market in the form of bank lines and letters of credit are more firmly established now than in the early and mid-1970s.

1. Commercial paper outstanding

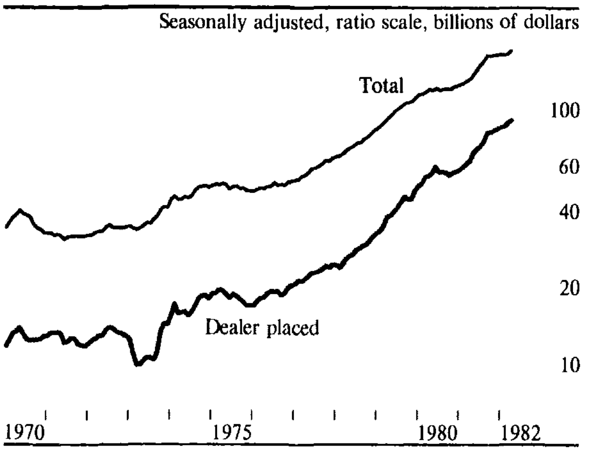
Seasonally adjusted, in billions of dollars except as noted

Type	Dec. 31, 1974	Apr. 30, 1982	Percent increase
Total[1]	50.0	171.4	242.8
Financial firms	36.5	114.0	212.3
Dealer-placed	4.6	32.8	613.0
Bank-related	1.8	8.3	361.1
Other	2.7	24.6	811.1
Directly placed	32.0	81.2	153.8
Bank-related	6.5	29.0	346.2
Other	25.5	52.2	104.7
Nonfinancial firms	13.5	57.4	325.2

1. Components may not add to totals because of rounding.

This article discusses current operational aspects of the commercial paper market, highlighting changes since the mid-1970s. For further technical details on both the operation of the market and its history through the mid-1970s, see "The Commercial Paper Market," in the FEDERAL RESERVE BULLETIN, vol. 63 (June 1977), pages 525–36.

1. Commercial paper outstanding



ISSUERS

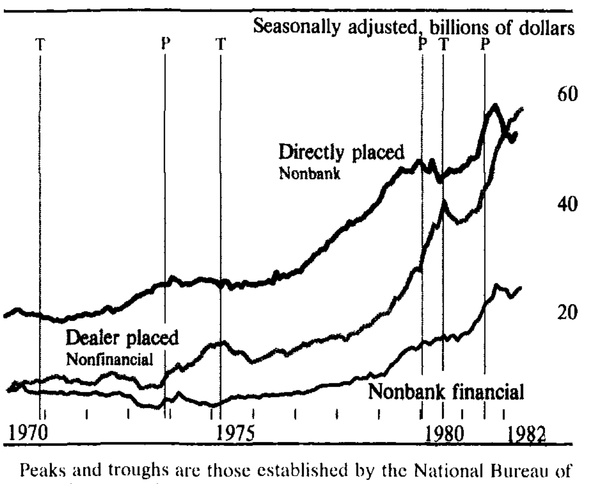
The companies issuing commercial paper tend to be financially strong, highly rated firms. They usually arrange forms of indirect assurance, such as backing by bank lines and letters of credit, that the debt will be repaid at maturity. These firms have found the commercial paper market to be a relatively convenient, inexpensive, and flexible source of short-term financing. This market has proved especially attractive in recent years, when the long-term debt market often has been unattractive.

Direct Issuers

Until recently, most commercial paper was sold directly to investors by the issuing firm; but directly issued paper, though growing in dollar volume, has been declining in relative importance for several years (table 2 and chart 1). For the most part, direct placers are large finance companies and medium- to large-sized bank holding companies that are highly rated and need large amounts of short-term funds on a continuous basis. About 60 such issuers are rated by Moody's Investors Service. Borrowing must be sizable to justify the substantial fixed costs of distributing paper without dealer assistance. As a result, issuers seldom find it economical to place paper directly unless the average monthly amount issued exceeds $1 billion. Operating on this scale, firms find that reductions in the cost of borrowing, including the elimination of dealers' fees, justify the expense of setting up a marketing department and maintaining relationships with investors, which may involve the issuance of paper to meet investors' needs even when the funds are not required. Direct placers also gain some flexibility in adjusting interest rates and maturities.

Finance companies that are direct issuers sometimes use the master note agreement, an arrangement whereby notes are sold to large, steady suppliers of funds. Under these agreements, the investor—usually a bank trust department—makes daily purchases of commercial paper, payable on demand, up to some predetermined amount. Each day the trust department tells the issuer the amount of paper it will take under the master note. Although the amount outstanding may fluctuate from day to day, interest is usually payable on the average daily balance for the month at the 180-day commercial paper rate. Over the past five years, the amount of paper placed through master notes has dropped from about 20 percent to 12 percent of all paper placed directly by finance companies, largely because some of the companies active in issuing master notes have experienced financial difficulties, necessitating a reduction in their issuance or even their withdrawal from the market.

2. Business-cycle comparisons of commercial paper outstanding



Peaks and troughs are those established by the National Bureau of Economic Research, Inc.

2. Directly placed commercial paper outstanding, by type

Seasonally adjusted, in billions of dollars except as noted

End of period	Total commercial paper	Total directly placed[1]	Nonbank	Bank-related	Directly placed as percent of total commercial paper
1970......	33.4	20.5	18.5	2.0	61.4
1971......	32.4	20.7	19.2	1.4	63.9
1972......	35.1	22.2	20.8	1.4	63.2
1973......	41.6	27.3	24.4	2.9	65.6
1974......	50.0	32.0	25.5	6.5	64.0
1975......	48.4	31.4	24.5	6.9	64.9
1976......	52.9	32.6	26.6	6.0	61.6
1977......	65.1	40.6	33.5	7.1	62.4
1978......	83.4	51.6	39.3	12.3	61.9
1979......	112.8	64.8	47.2	17.6	57.4
1980......	124.5	67.9	45.5	22.4	54.5
1981......	165.5	81.7	54.7	26.9	49.4
1982					
Jan.....	165.1	80.3	51.8	28.6	48.6
Feb. ...	164.7	79.1	51.9	27.2	48.0
Mar. ...	166.3	77.9	50.7	27.2	46.8
Apr. ...	171.4	81.2	52.2	29.0	47.4

1. Components may not add to totals because of rounding.

Dealer-Placed Issues

As of the end of April 1982 more than half of the commercial paper outstanding was placed through dealers (table 3). This proportion has risen steadily since the mid-1970s, when less than two-fifths of the total was sold through dealers (chart 1). For a variety of reasons, most issuers find it advantageous to engage the services of dealers rather than to place their paper directly. The issuers may not be nationally known, for one thing, or their short-term financing needs may not be large or regular. Under these circumstances, the issuer generally will find that it cannot justify the expense of selling directly, and it may in any event prefer to rely on the dealer's contacts to market the paper.

Of the issuers in the dealer market, most are nonfinancial concerns—principally industrial companies, public utilities, and foreign nonfinancial entities. Nonfinancial commercial paper now accounts for nearly two-thirds of all dealer-placed paper. As interest rates in bond markets have remained both high and variable, in recent years many of these firms have avoided issuance of long-term debt in significant volume; depressed stock prices have also discouraged equity financing lately. In this environment, commercial paper has offered a convenient source of "bridge financing" for firms awaiting an improvement in conditions of longer-term markets; and because that improvement has failed to materialize, corporations have rolled over paper as it has matured.

One factor that has facilitated growth in paper issuance by nonfinancial firms has been the increasing use of letters of credit and related devices to assure payment at maturity. Letters of

3. Dealer-placed commercial paper outstanding, by type

Seasonally adjusted, in billions of dollars except as noted

End of period	Total commercial paper	Total dealer-placed[1]	Nonfinancial	Financial			Total dealer-placed as percent of total commercial paper
				Total	Nonbank	Bank-related	
1970........	33.4	12.9	7.5	5.4	5.1	.4	38.6
1971........	32.4	11.8	6.6	5.2	4.7	.5	36.4
1972........	35.1	12.9	7.3	5.6	4.3	1.2	36.8
1973........	41.6	14.3	8.9	5.4	3.5	1.9	34.4
1974........	50.0	18.0	13.5	4.6	2.7	1.8	36.0
1975........	48.4	17.0	10.8	6.2	4.4	1.8	35.1
1976........	52.9	20.4	13.2	7.2	5.3	1.9	38.6
1977........	65.1	24.5	15.7	8.8	6.7	2.1	37.6
1978........	83.4	31.8	19.6	12.2	8.7	3.5	38.1
1979........	112.8	48.0	30.7	17.4	14.6	2.8	42.6
1980........	124.5	56.7	36.9	19.8	16.2	3.6	45.5
1981........	165.5	83.8	53.7	30.2	24.1	6.0	50.6
1982							
Jan.......	165.1	84.8	55.4	29.3	22.8	6.5	51.4
Feb.......	164.7	85.6	55.5	30.1	23.2	6.9	52.0
Mar.	166.3	88.4	56.8	31.6	24.1	7.4	53.2
Apr.......	171.4	90.3	57.4	32.8	24.6	8.3	52.7

1. Components may not add to totals because of rounding.

credit for this purpose appeared in the early 1970s, but they declined to a low level after the three federal banking regulatory agencies placed restrictions on their issuance in 1974. However, in late 1980, as interest rates rebounded in both the long- and the short-term debt markets, dealers began to interest new issuers, particularly lower-rated firms, in letters of credit. In such circumstances, rating agencies usually assign the rating of the bank or guarantor to the paper rather than the lower rating of the issuer. Thus the issuer avoids payment of a very high premium in interest rates and in some instances gains entrance to the market that might otherwise have been denied. For their part, banks earn additional fixed fees in issuing such backing.

Foreign Issuers. The entry of foreign issuers has been another significant development in the commercial paper market over the past decade. These entities were only meagerly represented in the mid-1970s, but 39 foreign nonfinancial firms and 51 foreign banks had commercial paper ratings by April 1982 (table 4). These foreign companies had an estimated $12 billion of commercial paper outstanding, of which foreign banks accounted for a little less than 60 percent. Foreign entities have entered the U.S. market to broaden their sources of funds and at times to obtain a cheaper source of dollar financing.

Governmental Issuers. In recent years some states and municipalities have also issued short-term obligations often referred to as tax-exempt commercial paper. Because rates are comparable to those on other tax-exempt securities of the same maturity, rather than those of taxable securities, such paper obviously will appeal mainly to investors that otherwise would buy municipal short-term notes. Also, in sale and distribution, tax-exempt paper differs from the commercial paper of business firms. For example, the paper is usually sold through the municipal departments rather than the commercial paper desks of dealers, and the paper is often given a municipal rating rather than a commercial paper rating. Accordingly, like other publishers of data on financial instruments, the Federal Reserve classifies this instrument not as commercial paper but as short-term municipal debt. Reportedly, about $1½ billion of such paper is now outstanding.

Major financial issuers in the dealer market are finance companies (frequently subsidiaries of manufacturers and retailers), medium-sized bank holding companies, and foreign banks; mortgage companies and insurance companies issue smaller amounts. Savings and loan associations also began to apply for credit ratings in 1979 with the approval of the Federal Home Loan Bank Board. The sale of paper was intended as a temporary source of funds for these institutions until permanent financing of mortgages became available. However, in view of the well-publicized earnings problems of thrift institutions, many associations that obtained ratings encountered resistance by investors and never issued paper. As a result only about $100 million of such paper is currently outstanding.

Market Mechanism

Nine major dealers provide distribution and intermediary services for the commercial paper market. (This article does not discuss the several banks that act as agents for the sale of paper for some companies. Litigation challenging the legality of this activity for banks is still pending.) Most dealers are located in New York City, and commercial paper is but one of the instruments in which they deal. Their fees depend to some extent on how much paper an issuer sells over some interval, typically six months to one year, but the charge usually averages somewhat less than ⅛ percentage point at an annual rate.

Ordinarily, dealers buy paper from issuers and try to resell the notes the same day. Any paper not sold immediately is taken into inventory and usually turned over in six to ten days. Inventories are financed either by overnight repurchase agreements or by overnight loans from banks.

Unlike direct placers, dealers may not be able to accept all of the money that, on any given day, investors wish to place in the obligations of a particular company, nor do they have direct control over maturities; they sell only the paper that they have purchased that day or the paper from their inventory. (Direct placers often reduce rates to discourage investors, but, as noted earlier, they sometimes accommodate large orders from investors even when they do not need all the funds.) To satisfy investors' demands, dealers may relay to issuers any special orders or requests they receive specifying the quantity and maturity of paper, but the issuer makes the final decision on these matters and makes no commitment to issue regularly. Also, there are no established secondary markets for either dealer-placed or directly placed paper. If an investor is hard pressed, the dealer customarily will buy back the paper and hold it in inventory as a service to both the issuer and the investor. Among direct placers, finance companies redeem on a similar basis.

Ratings

Five rating services currently evaluate commercial paper: Moody's Investors Service; Standard & Poor's Corporation; Fitch Investors Service; Duff and Phelps, Inc.; and McCarthy, Crisanti, Maffei, Inc. The first four charge a fee to the issuing company, while McCarthy charges the investors that subscribe to its service rather than the issuer. Unlike those of the other four services, McCarthy's ratings reflect the overall quality of a company's short-term debt rather than just its paper. As in the bond market, Moody's and Standard & Poor's are the two biggest agencies. Moody's rates the paper of more than 900 issuers, and Standard & Poor's rates the paper of more than 1,000 issuers. Most of those rated by the other three rating services are also rated by one or both of these two. Table 4 gives the ratings by industry of the 1,200 issuers that have commercial paper ratings.

The classification systems used by the various services tend to be less detailed than those used in bond ratings; the two major services use simple numerical schemes to distinguish three or four basic categories. Unrated or lower-rated paper is not easily sold, and only the paper with the highest ratings by Moody's or Standard & Poor's is readily accepted. Paper with an A-3 or P-3 rating does sell occasionally, depending on the general reputation of the issuer and the interest rate premium.

4. Number of companies with selected commercial paper ratings, by industry, April 198[1]

Industry grouping	Rated A-1, P-1, or F-1	Rated A-2, P-2, or F-2	Rated A-3, P-3, or F-3	Total[2]
Industrial firms ...	350	142	8	500
Public utilities	122	52	8	182
Financial companies[3]	218	42	1	261
Bank holding companies	54	46	1	101
Real estate investment trusts	3	5	...	8
Insurance firms ...	37	1	...	38
Transportation firms	4	1	...	5
Leasing firms	11	9	...	20
Foreign banking institutions	51	...	...	51
Foreign nonbanks	38	1	...	39
Total[2]	888	299	18	1,205

1. Based on listings of Moody's Investors Service, Standard & Poor's Corporation, and Fitch Investors Service. Paper is rated Prime 1 (P-1), Prime 2 (P-2), or Prime 3 (P-3) by Moody's; A-1+, A-1, A-2, or A-3 by Standard & Poor's; F-1, F-2, or F-3 by Fitch. Each service gives the "1" rating to the highest-quality paper and the "3" to the lowest. The ratings most looked for by investors are the A-1 or P-1 ratings.

2. If a company is rated by Moody's, that service's rating is used for the total. If it is not rated by Moody's, then Standard & Poor's rating is used. If the company is rated only by Fitch, that service's rating is used.

3. Includes finance companies, saving and loan associations, and mortgage bankers.

Commercial paper with a given rating will pay a higher or a lower yield depending on the ratings assigned to the issuer's bonds; the higher the rating, the lower the yield on commercial paper. Paper backed by letters of credit of banks and insurance companies or guaranteed by parent companies usually receives the rating of the bank or guarantor from the rating agencies. In general, issuers of paper or of letters of credit, or the parent companies, have bonds outstanding that are rated minimum investment grade or better.

Since 1977, ratings have affected the net capital requirements of the dealer that handles such paper as well as the acceptability of an offering. According to a ruling by the Securities and Exchange Commission, a dealer who takes into inventory the paper of an issuer that does not have ratings from two rating services must protect its solvency by "writing down" the value of this paper by an amount that varies from 15 to 30 percent. In view of this requirement, most dealers now require issuers to maintain two ratings.

A larger proportion of the companies have the higher ratings in today's commercial paper market than in the mid-1970s, largely because of the more widespread use of letters of credit. According to Moody's Investors Service, barely half of the firms rated in February 1974 had the highest rating; in contrast, more than three-quarters of its clients enjoyed top ratings in December 1981 (table 5). Many issuers that were forced to leave the market in 1974 and to return to their banks for financing because of poor commercial paper ratings have not reentered the market. Instead, a whole new crop of issuers has appeared with higher ratings.

5. Number of commercial paper issuers rated by Moody's Investors Service, selected dates

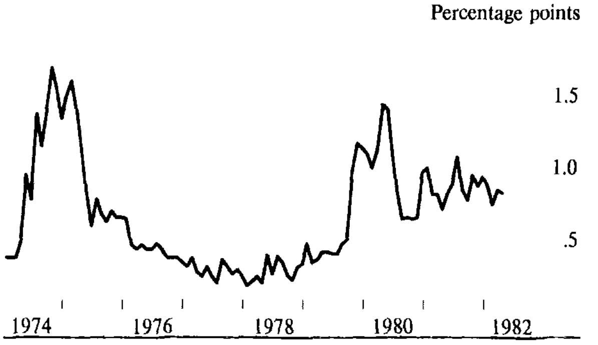
Rating	Feb. 4, 1974	Dec. 1, 1981[1]
P-1	344	700
P-2	231	206
P-3	38	16
Total	613	922

1. Excludes municipal commercial paper ratings.

New Issuers and Special Guarantees and Other Mechanisms

The largest group of new issuers comprises relatively small companies that have entered with backing for their paper from banks, insurance companies, and parents. Most of the paper supported by letters of credit is used by special-purpose companies such as nuclear fuel companies, by mortgage companies, and by other relatively weak companies that otherwise either would be excluded from the market or would be forced to pay high premiums. (Nuclear fuel companies are set up as subsidiaries of dealers, banks, or electric and gas utilities for the sole purpose of providing and financing nuclear fuel for the utilities.) The increased use of letters of credit thus has permitted lower-rated issuers to maintain or gain access to the market at manageable costs of borrowing. Even companies with paper rated A-2 or P-2 and with letters of credit pay a smaller premium on interest rates today than did the A-2 or P-2 issuers of the 1974 period,

3. Spread in rates on commercial paper



Rate spread is the rate on medium-grade less the rate on high-grade commercial paper calculated from rates charged by two major dealers for dealer-placed 30- to 59-day paper; ratings for medium-grade, A-2 or P-2, and for high grade, A-1 or P-1.

which usually did not have letters of credit backing the paper. Thus although the yield spread between paper issues of the strongest and the weakest quality has been wider in the past two to three years than from 1975 to 1980, it has never been so wide as in the 1973–75 recession (chart 3).

While the expanded use of letters of credit is a well-established fact, no comprehensive data exist on the amount of paper being supported by these arrangements. To some extent, this lack of data reflects the proliferation of arrangements between financial institutions and issuers. Traditionally, borrowers have attached to each commercial paper note a letter of credit backing that particular obligation, the so-called documented discount note; the letter assures the investor that the issuer of the letter of credit will pay the note if the issuer of the paper cannot do so. Recently, however, issuers of letters of credit have begun to provide a single, "master" letter of credit stating the total amount of credit to be extended on the notes of a given company; this obligation is referred to on each note issued.

Some paper is also being supported by "irrevocable commitments to lend" on the part of the lending institution. Under this arrangement, the bank agrees to lend the issuing company funds to cover notes outstanding up to a certain amount, a somewhat less firm assurance of payment than is the letter of credit, which stipulates that funds will be paid directly to the note holders. The size of the loan, like that of any other loan, must satisfy bank capital requirements.

In addition to letters of credit, since 1977 banks have provided a means of financing for corporations that has proved both competitive to and a support mechanism for the commercial paper market. This is the "below prime" loan of very short-term maturity now offered by many banks. Basically, for a short period of time—as short as overnight—the bank provides funds at a rate that is ⅛ to ½ of a percentage point above what the bank pays for the funds. That margin depends on the individual bank and on the credit-worthiness of the borrower.

During brief periods, when the rates on commercial paper are rising more rapidly than the rates charged by banks, issuers will use below-prime loans rather than pay the rates in the commercial paper market. For the most part, however, these below-prime loans have provided low-priced funds to companies that have faced temporary impediments to raising funds in the commercial paper market. The important users of these loans have been companies issuing paper directly. If these companies fail to meet their goals on a particular day, they use the below-prime facilities overnight. In other instances, to avoid paying a premium in the commercial paper market for selling a large amount of paper in one or two days, a large issuer will use the bank facility and spread the sale of the paper over a longer period of time. For further discussion of below-prime lending, see "Changes in Bank Lending Practices, 1979–81," FEDERAL RESERVE BULLETIN, volume 67 (September 1981), pages 671–86.

In summary, the banking system provides the commercial paper market with several means of safeguarding issuers and investors alike. First, it offers lines of credit to commercial paper issuers to back their paper; funds made available under these lines have enabled companies experiencing difficulties to withdraw from the market, thereby preventing disruptions in financial markets. Second, it extends letters of credit as backing for the paper of lesser-known or less creditworthy companies, allowing them access to the commercial paper market and at a higher rating than they would otherwise have. Third, by providing the below-prime loan, it helps stabilize interest rates and thus prevents a flood of demands for funds in the market on a given day.

INVESTORS

The tripling of commercial paper outstanding since the mid-seventies has been facilitated by a sizable shift in investor preferences toward short-term assets paying market rates of interest. In an uncertain financial climate investors have sought to minimize the risk to capital value by buying instruments with shorter maturities; this objective has been satisfied increasingly outside depository institutions because of the rise in market yields relative to rates permitted on many deposit categories. The dramatic growth in money market mutual funds is perhaps the most obvious manifestation of these developments.

6. Number, total assets, and commercial paper holdings of money market mutual funds

Not seasonally adjusted, in billions of dollars except as noted

End of period	Number of funds	Total assets	Commercial paper	Commercial paper as percent of total assets
1977	50	3.9	.9	23.1
1978	61	10.9	2.9	26.6
1979	76	45.2	14.5	32.1
1980	96	74.4	25.0	33.6
1981				
Jan.	98	85.0	29.6	34.8
Feb.	103	96.7	32.0	33.1
Mar.	107	111.5	36.0	32.3
Apr.	116	118.4	39.9	33.7
May	117	117.9	39.2	33.2
June	121	126.5	45.5	36.0
July	131	139.4	50.2	36.0
Aug.	134	149.4	52.6	35.2
Sept.	145	160.8	58.4	36.3
Oct.	147	169.6	60.0	35.4
Nov.	157	181.6	61.3	33.8
Dec.	159	181.9	56.8	31.2
1982				
Jan.	163	187.2	59.2	31.6
Feb.	175	186.2	56.0	30.1
Mar.	182	191.0	57.6	30.2
Apr.	198	192.0	61.4	32.0

In December 1977 there were 50 money market funds, with total assets of about $4 billion (table 6). By April 1982 the number had grown to almost 200 funds, with assets of nearly $200 billion. Over that same period the money market funds increased their holdings of commercial paper from less than $1 billion to more than $60 billion. Today those funds hold more than one-third of all paper outstanding, and since the end of 1978 their paper holdings have accounted for two-thirds of the growth in the commercial paper market.

Although the funds hold a sizable amount of paper, they are very quality conscious and usually will buy only A-1- or P-1-rated paper. They usually also require issuers of commercial paper to have bond ratings of at least A. These funds are important investors in the markets for both dealer-placed and directly placed paper. Recently, however, they have tended to allocate a greater portion of their assets to Treasury bills while reducing the share devoted to commercial paper. Nevertheless, in the aggregate, commercial paper still constitutes by far the largest single category of money market fund assets.

Other investors include bank trust departments and, to a much lesser extent, life insurance companies, pension funds, nonprofit organizations, and nonfinancial corporations. Accurate statistics on the amounts of commercial paper held are available for a few groups of investors. Corporations engaged in manufacturing, mining, and wholesale and retail trade held about $11 billion at the end of 1981. Moreover, life insurance companies accounted for approximately $15 billion at that time. Although over the past decade large weekly reporting banks have made substantial purchases for their own trust departments or for customers, they continue to purchase little for their own accounts. At year-end 1981, it was estimated that they held less than $50 million of paper. No quantitative information on commercial paper held by other investors is available.

Individuals do not hold sizable amounts of commercial paper (indeed, the Securities and Exchange Commission emphasizes that such paper should be sold only to sophisticated investors), but they probably have acquired larger amounts of directly placed paper over the last decade than in earlier periods. Whereas dealers, and most companies that issue directly, offer paper in minimum denominations of $50,000 or $100,000, a handful of finance companies and some smaller regional bank holding companies have minimums of $25,000. Still other direct placers, although they have posted minimums of $50,000 or $100,000, accommodate an order of any size given by a large money market bank in order to maintain good working relationships with that institution.

CONCLUSION

The commercial paper market has matured into a significant source of financing for more than 1,200 firms, financial and nonfinancial, domestic and foreign. Its role has been enhanced in the last few years by the need of issuers for short-term financing at a time when many firms have considered long-term financing too costly.

Because a sizable portion of the recent growth in the commercial paper market has been linked to sparse long-term debt issuance, the volume of paper in this short-term market will certainly be affected by long-term financing conditions: if conditions in the long-term market show marked improvement, many firms will fund this short-term debt. Nevertheless, the commercial paper market is certain to continue to play a significant role in corporate financing strategies. □

Financial Developments of Bank Holding Companies in 1981

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

The year 1981 in many respects proved to be a difficult one for the nation's largest bank holding companies. Economic conditions softened not only in the United States but throughout the world, interest rates remained both high and volatile, and competition for financial services intensified. The transition toward full deregulation of interest rate ceilings on deposits, called for by the Depository Institutions Deregulation and Monetary Control Act of 1980, added to the cost pressures on the banking industry. Yet, despite the difficult and unsettled economic environment, the overall performance of bank holding companies was reasonably good. Earnings continued to expand at a moderate pace, profit margins remained essentially unchanged from the satisfactory levels of 1980, and capital ratios, which had been trending down for well over a decade, stabilized. Signs of deterioration in asset quality, however, were evident in the rising incidence of corporate bankruptcies, the surge in downgradings of corporate debt issues by rating agencies, the rise in mortgage delinquency rates, and the higher levels of nonperforming assets reported by bank holding companies.

This review of major financial developments of bank holding companies during 1981 is based on data from the bank holding company financial supplement (form FR Y-9). The sample consists of 391 bank holding companies that had more than $100 million in fully consolidated assets at year-end 1981.[1] These companies controlled aggregate assets of $1,457.9 billion, or about 72 percent of the assets controlled by U.S. commercial banking institutions. This article presents data for the entire sample of 391 companies (universe) and for three size classes or peer groups: 51 holding companies with more than $5 billion in assets; 135 with $1 billion to $5 billion in assets; and 205 with $100 million to $1 billion in assets.

1. As of December 31, 1981, 3,644 registered bank holding companies were in existence.

EARNINGS AND PROFITABILITY

Earnings of bank holding companies rose moderately in 1981. Net income before securities transactions of the 391-company universe expanded 8.8 percent last year to $9.2 billion (table 1). This expansion was significantly smaller than the increase of 20.1 percent posted in 1979, but only slightly lower than the 9.9 percent experienced in 1980. Substantial increases in both gross interest income and noninterest income were among the

1. Selected income and expense items, 1980 and 1981[1]

Item	Amount (millions of dollars) 1980	Amount (millions of dollars) 1981	Change (percent)
Gross interest income (FTE)	133,587	175,607	31.5
Gross interest expense	93,956	132,061	40.6
Net interest income (FTE)	39,631	43,546	9.9
Noninterest income	11,851	14,766	24.6
Noninterest expense	31,765	36,975	16.4
Loan-loss provisions	3,391	3,841	13.2
Income before taxes (FTE)	16,325	17,496	7.2
Tax equivalent adjustment	4,753	5,711	20.1
Income before taxes	11,572	11,785	1.8
Taxes	3,101	2,571	(17.1)
Net income before securities transactions	8,471	9,214	8.8
Securities gains (losses)[2]	(344)	(439)	...
Net income	8,127	8,776	8.0

1. Universe of 391 bank holding companies. Details may not add to totals because of rounding.
2. Includes extraordinary items.

FTE Fully taxable equivalent.

favorable factors affecting 1981 earnings. Lower income tax payments also had a positive impact on earnings. However, these developments were partially offset by a sharp rise in gross interest expense and by higher overhead and loan-loss provisions.

All three peer groups increased their earnings last year (table 2)—the medium-size banking organizations registered the largest gain (10.5 percent).

2. Net operating income, 1978–81[1]
Percentage change

Size class	1978–79	1979–80	1980–81
Universe	20.1	9.9	8.8
$100 million to $1 billion	18.2	2.2	7.9
$1 billion to $5 billion	23.0	15.7	10.5
$5 billion or more	19.2	8.6	8.2

1. Before securities transactions and extraordinary items.

Gross interest income (on a fully taxable equivalent basis) increased $42.0 billion in 1981, up 31.5 percent over the 1980 level (table 1). Gross interest expense, on the other hand, increased $38.1 billion. As a result, net interest income—a crucial factor in bank earnings performance—rose $3.9 billion, or 9.9 percent above the level for 1980.

Net interest margins for the universe equaled 3.12 percent last year, just 1 basis point below the 3.13 percent recorded in 1980 (tables 3 and 4).[2] Increased competition in loan pricing and a continued shift toward the use of higher-cost funds to support assets were among the influences that kept pressure on bank holding company margins in 1981.

Noninterest income was an important source of growth in earnings. Fueled by strong gains in trading account profits, service charges, commissions, and fee income, noninterest income for the universe rose 24.6 percent last year to $14.8 billion. All three peer groups reported enlarged noninterest earnings, but especially strong gains were posted by the large companies, many of which experienced significant increases in bond trading profits and foreign exchange revenues. Several large banking institutions also booked substantial gains from tax-free "stock-for-debt swaps."

On the other side of the ledger, noninterest expenses (excluding loan-loss provisions) increased $5.2 billion in 1981, or 16.4 percent over the level in 1980. Salaries and employee benefits and occupancy and equipment expense were largely responsible for the increase.

Provisions for loan losses for the universe totaled $3.8 billion, up 13.2 percent from the $3.4 billion in 1980. Despite heightened concern about credit quality, this rate of increase in provisions closely tracked the growth in loans. And measured as a percent of average assets, provisions edged up only slightly, to 0.27 percent from 0.26 percent in 1980. The increases were more pronounced among bank holding companies in the large- and medium-size groups: loan-loss provisions for 1981 rose an average of 15.2 percent for the large companies and 13.6 percent for the

2. Net interest margin is equal to taxable equivalent net interest income divided by average assets for the year.

3. Selected income statement items, 1979–81[1]
Percent of average assets

Item	1979	1980	1981
Gross interest income (FTE)	9.31	10.55	12.60
Gross interest expense	6.06	7.42	9.47
Net interest income (FTE)	3.24	3.13	3.12
Noninterest income	.81	.93	1.05
Noninterest expense	2.42	2.50	2.65
Loan-loss provisions	.25	.26	.27
Income before taxes (FTE)	1.38	1.28	1.25
Tax equivalent adjustment	.42	.37	.40
Income before taxes	.96	.91	.85
Taxes	.27	.24	.18
Net income before securities transactions	.68	.66	.66
Securities gains (losses)[2]	(.01)	(.02)	(.03)
Net income	.66	.64	.62

1. Universe of 391 bank holding companies. Details may not add to totals because of rounding.
2. Includes extraordinary items.

FTE Fully taxable equivalent.

4. Net interest margins, 1980 and 1981[1]

Size class	Percent 1980	Percent 1981	Change (basis points)
Universe	3.13	3.12	−1
$100 million to $1 billion	4.43	4.44	1
$1 billion to $5 billion	4.14	4.20	6
$5 billion or more	2.73	2.70	−3

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

5. Net return on average assets, 1979–81[1]

Percent

Size class	1979	1980	1981
Universe	.68	.66	.66
$100 million to $1 billion	.86	.80	.80
$1 billion to $5 billion	.83	.87	.86
$5 billion or more	.62	.59	.59

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

medium-size institutions, while they declined 8.5 percent for the small companies.

Income before taxes on a fully taxable-equivalent basis (designed to equate nontaxable and taxable sources of income) for the universe was $17.5 billion, up 7.2 percent from $16.3 billion in 1980. Without that adjustment, before-tax income for 1981 equaled $11.8 billion, an increase of only 1.8 percent over $11.6 billion for the previous year.

Although before-tax income increased slightly in 1981, provisions for income taxes fell sharply. For the universe of companies, total income taxes were $2.6 billion in 1981, or 17.1 percent less than in the previous year. Generally, reductions in taxes last year were most pronounced at the small-size companies.

The decline in total income taxes provided a measurable boost to the earnings of bank holding companies. Net income before securities transactions was $9.2 billion in 1981, 8.8 percent higher than in 1980. After deducting securities losses and extraordinary items of $439 million, net income equaled $8.8 billion, up 8.0 percent from $8.1 billion in 1980.

The return on average assets—a key measure of profitability—was 0.66 percent for the universe in 1981, the same as a year earlier (table 5). Return on average equity, however, decreased slightly, from 14.5 percent in 1980 to 14.0 percent in 1981 (table 6). Profitability measures for the three peer groups showed similar patterns of stability. Return on average assets remained constant between 1980 and 1981 for the small and large companies but declined slightly for the medium-size institutions. While return on equity of all three peer groups declined modestly in 1981, the reductions were less than ½ of a percentage point.

6. Net return on average equity, 1979–81[1]

Percent

Size class	1979	1980	1981
Universe	14.7	14.5	14.0
$100 million to $1 billion	13.8	12.7	12.5
$1 billion to $5 billion	14.0	14.5	14.3
$5 billion or more	15.1	14.6	14.1

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

BALANCE-SHEET CHANGES

The pace of asset expansion continued to slow for the second straight year. This slowing, attributable primarily to bank holding companies in the large-size class, reflected the continued sluggishness of economic activity and monetary restraint. Aggregate consolidated assets of the 391 companies expanded 9.8 percent in 1981, compared with growth rates of 10.4 percent in 1980 and 13.8 percent in 1979. Among the three peer groups, the aggregate assets of companies in the large-size class grew only 8.9 percent in 1981, down from 10.4 percent in 1980. In contrast, the aggregate assets of companies in the medium-size class rose 13.0 percent in 1981, up from the 10.8 percent increase the year before, while the assets of companies in the small-size class rose 8.9 percent, compared with the 8.6 percent pace of 1980.

Responding to the high and volatile interest rates of 1981, bank holding companies continued to realign the composition of their balance sheets to increase the importance of assets and liabilities with shorter maturities and greater interest-rate sensitivity. On the asset side, holdings of non-interest-bearing cash balances were pared, both in absolute terms and relative to total assets, reflecting the more intensive use of cash-economizing techniques throughout the industry. The adoption on October 1, 1981, of same-day settlement procedures by participants in CHIPS, the Clearing House Interbank Payments System, also contributed significantly to the reduction in cash balances. At year-end 1981, non-interest-bearing cash balances of the 391 companies amounted to 7.9 percent of aggregate assets, down from 10.7 percent a year earlier and 11.8 percent at the end of 1979 (table 7).

7. Selected balance sheet items, year-end 1980 and 1981

Percent of total assets

Item	Size class: $5 billion or more		$1 billion–$5 billion		$100 million–$1 billion		Universe	
	1980	1981	1980	1981	1980	1981	1980	1981
Cash (excluding interest-bearing deposits)	10.6	7.2	11.4	10.3	9.1	8.4	10.7	7.9
Money market investments[1]	14.7	15.1	9.8	12.9	8.0	9.6	13.3	14.3
Investment securities	9.5	8.6	20.4	18.8	25.1	24.4	12.7	11.7
Loans and leases, net	57.3	60.2	53.2	52.4	53.2	52.6	56.2	58.1
Premises and equipment	1.0	1.1	1.9	1.9	2.2	2.3	1.3	1.4
Other assets	6.9	7.8	3.3	3.7	2.3	2.7	5.8	6.6
Total assets	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Demand deposits	18.5	14.5	28.2	24.3	27.0	23.3	21.0	17.1
Time deposits in denominations of $100,000 or more	13.2	15.0	13.4	13.6	13.8	14.3	13.3	14.7
Other time deposits	6.7	7.5	18.4	20.2	24.2	26.4	10.2	11.3
Savings deposits	5.7	5.6	14.1	13.8	17.2	16.9	8.2	8.0
Foreign deposits	28.0	27.4	2.8	3.3	.1	.1	21.1	20.6
Total deposits	72.1	70.0	77.0	75.2	82.3	81.0	73.8	71.7
Short-term borrowings[2]	14.4	15.3	12.3	14.0	7.9	9.1	13.6	14.7
Long-term borrowings	2.2	2.5	1.8	1.7	1.7	1.7	2.1	2.3
Other liabilities	7.1	7.9	2.8	3.1	1.6	1.7	5.8	6.5
Stockholders' equity[3]	4.1	4.2	6.1	6.0	6.5	6.5	4.7	4.8
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.

Underscoring the trend toward shorter asset maturities, the percentage of assets allocated to money market instruments rose to 14.3 percent at year-end 1981, compared with 13.3 percent at the end of 1980. (Money market investments are 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 did either medium- or small-size companies.

To accommodate the strong demand for bank loans, bank holding companies reduced their holdings of investment securities relative to total assets in 1981. Holdings of U.S. government obligations and of other bonds, notes, and debentures were scaled back, and the rate of acquisition of municipal securities slowed considerably. For the year, total investment securities held by the 391 companies increased only 1.1 percent, and by year-end 1981 they amounted to 11.7 percent of assets, down from 12.7 percent at the end of 1980.

Total loans and leases outstanding, net of reserves for possible losses, grew 13.6 percent in 1981, somewhat faster than in the previous year. The universe reported net loans and leases outstanding of $846 billion as of December 31, 1981, compared with $745 billion at the end of 1980. The pickup in loan growth reflected in large part the increased demand for bank credit from commercial and industrial borrowers, many of whom continued to defer longer-term financing because of generally unfavorable conditions in the bond and equity markets. By comparison, consumer and real estate loans and loans to financial institutions rose at a more moderate pace. Loans made at foreign offices and at Edge and Agreement subsidiaries increased 13.3 percent, or at roughly the same rate as loans made at domestic offices. Direct-lease-financing receivables of the 391 companies increased 11.2 percent in 1981 and stood at $19.7 billion at year-end, up from $17.7 billion as of December 31, 1980. The composition of the loan portfolios of the three size classes and the universe is shown in table 8.

On the liability side, growth of deposits was unusually weak. Total deposits held by the 391 companies increased only 6.9 percent in 1981,

8. Composition of loan portfolios, year-end 1980 and 1981

Percent of gross loans and leases

Item	Size of class							
	$5 billion or more		$1 billion–$5 billion		$100 million–$1 billion		Universe	
	1980	1981	1980	1981	1980	1981	1980	1981
Loans made at domestic offices								
Real estate loans	16.5	16.2	31.7	31.4	37.0	36.7	20.7	20.3
Loans to financial institutions	6.3	6.0	3.9	3.7	1.6	2.1	5.6	5.3
Commercial and industrial loans	27.0	28.6	31.7	32.5	29.9	31.9	28.1	29.5
Consumer loans	11.0	10.2	24.1	22.9	25.4	23.7	14.4	13.4
All other loans	4.7	5.0	4.1	4.3	4.9	4.5	4.6	4.8
Loans made at foreign offices and at Edge Act and Agreement subsidiaries	31.9	31.5	2.8	3.4	.1	.1	24.3	24.3
Lease financing receivables	2.6	2.5	1.7	1.7	1.1	1.0	2.3	2.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

and by year-end the ratio of total deposits to total assets had fallen to 71.7 percent, down from 73.8 percent at the end of 1980. As shown in table 7, the contraction in demand deposits as a source of funds was particularly pronounced. The outflow of demand deposits was generally attributed to the introduction of negotiable order of withdrawal (NOW) accounts nationwide and to continued competition from money market mutual funds.

In recent years, deposits have failed to keep pace with assets, and consequently, nondeposit borrowings have played an increasingly important role in the funding strategies of bank holding companies. In 1981, dependence on short-term borrowings (federal funds purchased, commercial paper, and other borrowings with an original maturity of one year or less) increased significantly. Aggregate short-term borrowings of the 391 companies rose 18.5 percent during the year; as of December 31, 1981, they equaled 14.7 percent of total assets, compared with 13.6 percent a year earlier. As shown in table 7, reliance on short-term borrowings tends to be related to asset size. On average, companies in the large-size class supported 15.3 percent of their assets with short-term borrowings, compared with 14.0 percent in the medium-size class and 9.1 percent in the small-size class.

Along with the overall increase in short-term funding, medium- and long-term borrowings of bank holding companies also increased during the year. The total of these types of borrowings of the 391 companies at year-end 1981 was $33.1 billion, up $4.7 billion or 16.5 percent from the end of the previous year. Such borrowings supported 2.3 percent of total assets as of year-end, compared with 2.1 percent at the end of 1980.

CAPITAL

Bank holding companies, particularly the large multinational institutions, have been under regulatory and market pressures to address the long-term decline in their capital ratios. Although some companies strengthened their capital positions during the year, for the group as a whole the trends in key indexes of capital strength were mixed. For example, as measured by the ratio of equity to total assets, capital ratios of bank holding companies continued to increase for the second consecutive year. The composite ratio of equity to assets of the 391 companies stood at 4.77 percent at year-end, up from 4.68 percent at the end of 1980 and well above the low of 4.61 percent at the end of 1979. Against this favorable trend, some erosion developed in capital ratios as measured by the ratio of equity capital to risk assets (total assets less cash and U.S. government securities). For the universe, the composite ratio of equity to risk assets declined to 6.22 percent, compared with 6.35 percent at the end of 1980 (table 9).

Aggregate stockholders' equity of the 391 companies has grown relatively steadily, at an annual rate of 11 to 12 percent in each of the last four years. In 1981, it advanced 11.9 percent, outpacing total assets, which rose 9.8 percent. This growth reflected a sizable increase in exter-

9. Selected capital ratios, year-end 1979–81
Percent

Size class	Equity to assets[1]			Equity to risk assets[2]		
	1979	1980	1981	1979	1980	1981
Universe	4.61	4.68	4.77	6.29	6.35	6.22
$100 million to $1 billion	6.43	6.49	6.54	8.32	8.59	8.68
$1 billion to $5 billion	6.00	6.07	6.05	7.90	8.16	8.14
$5 billion or more	4.08	4.13	4.25	5.63	5.64	5.48

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.

nal equity financing, which offset a slowing in the rate of internally generated funds.

Bank holding companies in total raised in excess of $750 million of equity through offerings of common and preferred stock during the year. A significant portion of this total was raised through stock-for-debt swaps, a recent innovation in the banking industry. The swaps, which are designed to boost earnings and to reduce financial leverage, involve the issuing of new shares of common stock in exchange for long-term debt of the issuer that has been purchased in the market at a discount from face value. Bank holding companies raised about $300 million of equity in this manner during the year. Most of the remaining volume of equity offerings was in the form of private placements. Bank stocks continued to sell at depressed multiples of price to earnings and price to book value throughout the year, a condition that has generally made external equity financing an unattractive and costly funding option.

ASSET QUALITY

As expected, the downturn in economic activity and unusually high and volatile interest rates resulted in some deterioration in the quality of assets of bank holding companies in 1981. Signs of that deterioration were seen in the rising incidence of corporate bankruptcies, the acceleration in downgradings of corporate-debt issues by rating agencies, and the upward trend in mortgage delinquency rates. Although data on nonperforming assets are not available for all of the companies included in the survey, data on a sample of large bank holding companies suggest that nonperforming assets rose about 40 percent in 1981, reversing a downward trend over several years. Despite the sharp increase in nonperforming assets, ratios of such assets to the total were well below the peak levels of the mid-seventies. Nonperforming assets consist of loans that are not accruing interest, that are past due, or that have been renegotiated to accommodate financial difficulties of borrowers, and real estate acquired through foreclosure.

In contrast to the upsurge in nonperforming assets, net loan charge-offs increased only marginally in 1981 and, in fact, declined as a percentage of average loans outstanding. Net loan charge-offs of the 391 companies were $2.8 billion, only 4.5 percent over the 1980 level of $2.7 billion. The composite ratio of net loan losses to average loans outstanding declined to 0.36 percent in 1981, compared with 0.38 percent the previous year (table 10). Among the three peer groups, the large companies reported the lowest level of net charge-offs to average loans for the year, 0.33 percent, while the small and medium-size companies reported charge-off ratios of 0.40 and 0.43 percent respectively. Historically, the realization of recession-related loan losses lags the onset of an economic downturn. Consequently, the loan-loss ratio is generally viewed as a lagging indicator of credit quality. □

10. *Ratio of net loan losses to average loans outstanding, 1979–81*
Percent

Size class	1979	1980	1981
Universe	.31	.38	.36
$100 million to $1 billion	.34	.47	.40
$1 billion to $5 billion	.39	.43	.43
$5 billion or more	.28	.36	.33

Treasury and Federal Reserve Foreign Exchange Operations: Interim Report

This interim report, covering the period February through April 1982, is the nineteenth 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 Sam Y. Cross, Manager of Foreign Operations of the System Open Market Account and Senior Vice President in charge of the Foreign Group of the Federal Reserve Bank of New York.

A combination of wide interest rate differentials favorable to dollar-denominated assets and a relatively more positive attitude toward economic and political prospects for the United States than for other countries moved the dollar higher in the exchange markets through mid-April. Thereafter, though the dollar weakened substantially, it nonetheless ended the February–April period under review higher on balance against all major currencies except the German mark, which benefited from a positive shift in market sentiment and strengthened across the board.

The dollar's advance through mid-April partly reflected a reassessment of the U.S. interest rate outlook. With the drop in economic activity in the United States, market participants had expected some decline in U.S. short-term interest rates and an erosion of the impressive interest rate advantage on dollar-denominated assets. Instead, money growth surged early in 1982 while economic activity was contracting. Although part of the bulge in money growth was thought to be short term and reversible in nature, part also reflected less technical factors such as increased precautionary demands by individuals. With the Federal Reserve restraining the supply of bank reserves to prevent the narrow monetary aggregate (M1) from staying persistently above the annual growth target for 1982 of 2½ to 5½ percent, short-term interest rates moved higher. The rise was interrupted in late February when the demand for money and credit declined. But then, in March, expectations of another spurt in money growth during April exerted renewed upward pressures on short-term rates. Meanwhile, long-term interest rates did not move lower in the face of declining economic activity essentially because of concerns that federal government deficits would burgeon in the years ahead to the point of exerting major strains on the financial markets, particularly once the economy begins to expand again.

Abroad, interest rates in most countries did not increase and in many cases even declined. Monetary authorities faced persistent stagnation in their domestic economies and record unemployment. The widespread lowering of European interest rates in January left market participants with the impression that economic policy priorities were shifting somewhat in favor of providing economic stimulus as opposed to concentrating as heavily as before on the anti-inflation fight. Talk spread in the market that some foreign authorities might even impose capital or foreign exchange controls so as to permit a cut in their interest rates without incurring depreciations of their currencies against the dollar. Such measures were not undertaken but, during March, many foreign central banks did reduce their official lending rates or otherwise facilitated an easing in domestic monetary conditions. As a

1. Drawings and repayments by foreign central banks under reciprocal currency arrangements

Millions of dollars; drawings or repayments (−)

Bank drawing on Federal Reserve System	Commitments, January 31, 1982	February 1 through April 30, 1982	Commitments, April 30, 1982
Bank of Mexico	0	600.0	600.0

result, interest differentials in favor of the dollar remained large, continuing to attract funds into dollar-denominated assets.

Meanwhile, exchange market sentiment toward the dollar was bolstered by the rapid ebbing of U.S. inflation. As measured by the consumer price index, the inflation rate dropped several percentage points in the early months of 1982 to about 3 percent at an annual rate, while inflation abroad either declined by less or in some cases even accelerated. To be sure, part of the improvement reflected recession-induced (and therefore more readily reversible) price declines in food, in energy, and in other raw materials, while the dollar's appreciation in the exchange market also played a role by tempering import costs. But a decided moderation in wage settlements was also taking place in the United States, and many in the exchange market saw reason to hope for more lasting changes in attitudes and in behavior on the part of both business and labor, with the prospect of further progress on inflation ahead.

Further supporting the dollar was the perception that the worldwide recession was harming the U.S. trade balance and investment activity less than that of many other countries. While the weakness in the U.S. economy had previously led analysts to scale back the forecast deterioration in the U.S. current account, a swing into deficit was nonetheless widely expected. However, the current account remained in surplus early in 1982, as sharply lower oil prices, a fall in import volumes, and large net services earnings more than offset the deterioration in manufactured exports.

At the same time, international investors felt that political stability and the long-term business climate in the United States provided a strong inducement to continue investing in U.S. assets despite the higher level of the dollar in the exchanges. Already in 1981, reversing a long-standing pattern, foreign direct investment in this country actually exceeded U.S. direct investment abroad by some $12 billion. Tax incentives, regulatory reforms, and the prospect of policy continuity in support of market mechanisms continued to underpin foreign direct investment as well as sizable inflows into U.S. stocks and bonds. Moreover, geopolitical tensions from time to time brought the dollar into demand as a "safe haven" for more liquid forms of capital as well.

2. Net profits and losses (–) on U.S. Treasury and Federal Reserve foreign exchange operations[1]

Millions of dollars

Period	Federal Reserve	U.S. Treasury	
		Exchange Stabilization Fund	General account
February 1 through April 30, 1982	0	.7	0
Valuation profits and losses on outstanding assets and liabilities as of April 30, 1982	410.8	–1,159.3	840.3

1. Data are on a value-date basis.

The downturn in world economic activity seemed to weigh especially heavily on economies abroad and served to heighten competitive tensions. To be sure, the sharp decline of the surplus of the Organization of Petroleum Exporting Countries (OPEC) had its counterpart in lower current account deficits among the industrial countries, but the distribution of the benefits was proving highly uneven. Moreover, even those countries with improving balance of payments trends, such as Germany and Japan, were not expected to sustain a rapid growth of their exports. Constraints on expanded trade with Eastern Europe developed in the wake of the Polish payments crisis, while previously rapid growth markets in Asia slowed. The growth of import demand by OPEC dwindled as oil-producing countries grappled with lower oil revenues. In addition, the threat of major protectionist measures clouded industrial country relations, particularly those affecting Japan. At the same time, however, in nearly all countries overseas (more dependent on trade than the United States for a large portion of gross national product), the anemic state of domestic demand triggered greater efforts by domestic enterprises to sell in external markets, and consequently competitive pressures were strong.

In these circumstances the realignment of the European Monetary System (EMS) in February raised questions in private and official circles about the relative competitiveness of member economies, about the durability of the new parties, and about the cohesion of participating states in the joint float arrangement. Indeed, almost immediately after the February 20–21 weekend when the central rates of the Belgian franc and Danish krone were adjusted downward 8½ and 3 percent respectively, speculation developed that the EMS would again be realigned. Selling pressures focused on currencies of countries where the policy design or the economic-social setting was thought by the market to impede the fight against inflation and the efforts to regain equilibrium in the balance of payments or to put public-sector finances on a sounder basis. The speculative selling pressures—most intense against the French franc, the Belgian franc, and the Italian lira—tended to moderate by early April following official actions to raise interest rates and restrict capital outflows. In addition, foreign monetary authorities intervened heavily as sellers of dollars and, to a lesser extent, of currencies that traded at the top of the joint float. Even so, the EMS currencies declined substantially against the dollar.

In response to these various factors, therefore, from the end of January to mid-April the dollar gained as much as 8 percent against the Japanese yen, 6¾ percent against sterling and the Swiss franc, about 3½ percent against the German mark, and nearly 3 percent against the Canadian dollar to approach levels close to the peaks registered in August 1981.

In the latter half of April, however, traders and investors began to assess the dollar's prospects less favorably and dollar exchange rates declined. The latest economic statistics gave virtually no sign of an end to recession, eroding hopes that a perceptible recovery in U.S. business activity was likely in the near term. With production, employment, and incomes proving weaker than once anticipated, grounds developed for expecting the April bulge in M1 to unwind quickly, thereby lessening the need in the view of market participants for an immediate squeezing of the availability of bank reserves under the Federal Reserve's monetary policy approach. For a brief period, also, optimism developed in the exchange markets of an early compromise on measures to bring projected federal deficits in fiscal year 1983 and beyond under better control. Consequently, though market participants remained sensitive to the many forces underpinning the high level of U.S. interest rates, the balance of opinion in the exchange markets swung toward the view that interest rates in this country could drop, perhaps substantially, in the ensuing months. And, in fact, U.S. interest rates did decline toward the month-end.

At the same time, market participants were disappointed that U.S. mediation efforts were unable to avert a military conflict between Argentina and the United Kingdom and expressed concern that U.S. relations with Latin America might deteriorate in view of the U.S. alliance with Britain. Paralleling the sense of disappointment over U.S. leadership in the foreign arena was a lessening of confidence in U.S. economic managment on the domestic front, as hope for an early and satisfactory solution to the budget deficit faded amid drawn-out and inconclusive discussion and negotiations.

The market's more cautious assessment of the dollar coincided with a favorable shift in sentiment toward the German mark. In Germany, progress toward curbing inflation was underscored by moderate wage settlements negotiated with the pacesetting metalworkers union. Publication of a record postwar monthly trade surplus for March appeared to confirm the considerable improvement under way in Germany's balance of payments position both in relation to earlier trends and in relation to other industrial countries. Within the EMS the mark had already been strong for more than a year, and with these developments the German currency strengthened against the dollar as well.

In these circumstances the dollar fell back against all major currencies in late April. It closed the three-month period under review, down about ½ percent against the German mark. In relation to other currencies, however, the dollar remained more resilient and ended the period higher, on balance, by about 2 percent against the Canadian dollar, 2½ percent against the Japanese yen, 3 percent against sterling, and 4½ percent against the Swiss franc.

During the period, the Trading Desk did not intervene for the account of the U.S. Treasury or the Federal Reserve. The Desk continued its long-standing practice of intervening as agent for other central banks from time to time in the New York market.

In other developments, the Mexican government devalued the peso in February and for a time the peso benefited in the exchanges from a reflux of funds. However, selling pressures again built up, and in late April the government announced a stabilization program to improve the policy framework for dealing with the country's inflation and balance of payments problems. Mexico's international reserve position was under strain during the period; to help meet a temporary reserve need, the Bank of Mexico requested and was granted a $600 million drawing on its $700 million swap line with the Federal Reserve. The funds were drawn on April 30 and repaid shortly after the close of the period under review.

In the three-month period from February through April, the Federal Reserve and the Treasury general account realized no profits or losses from exchange transactions. The Exchange Stabilization Fund gained $0.7 million in connection with the sale of foreign currency to the Treasury general account to finance interest payments on foreign currency-denominated securities. As of April 30, valuation losses on outstanding foreign currency balances were $410.8 million for the Federal Reserve and $1,159.3 million for the Exchange Stabilization Fund. The Treasury general account had valuation gains of $840.3 million related to outstanding issues of securities denominated in foreign currencies. □

Staff Studies

The staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects. In some instances the Federal Reserve System finances similar studies by members of the academic profession.

From time to time, papers that are of general interest to the professions and to others are selected for the Staff Studies series. These papers are summarized—or, occasionally, printed in full—in the FEDERAL RESERVE BULLETIN.

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

Single copies of the full text of each of the studies or papers summarized in the BULLETIN *are available without charge. The list of Federal Reserve Board publications at the back of each* BULLETIN *includes a separate section entitled "Staff Studies" that lists the studies that are currently available.*

STUDY SUMMARY

THE COMMUNITY REINVESTMENT ACT AND CREDIT ALLOCATION

Glenn Canner—Staff, Board of Governors

Prepared as a staff paper in early 1981

The Community Reinvestment Act of 1977 was passed in response to a widely held perception that sound lending opportunities in inner-city areas either were not recognized or were being ignored by institutional lenders. The primary purpose of the Community Reinvestment Act (CRA) is to assure that local depository institutions supervised by federal financial agencies do not neglect the credit needs of the institution's local communities, including low- and moderate-income neighborhoods. Each appropriate federal financial supervisory agency is required to assess the degree to which depository institutions are meeting the credit needs of their communities and to use its authority to encourage those institutions to meet their CRA obligations consistent with safe and sound banking practices. Furthermore, the CRA directs each supervisory agency to take into account the CRA record when an institution applies for a deposit facility.

Proponents of the CRA emphasized that the law was not intended to require specific lending targets, but rather to encourage lenders to take affirmative action to ensure that creditworthy borrowers in their communities were not ignored and that all borrowers were treated in an even-handed manner. Those opposed to the legislation expressed concern that the act represented a significant step toward credit allocation by the public sector. The opponents envisioned that the law would be used to require a lender to extend a specific dollar volume of credit to residents of a neighborhood irrespective of the soundness of the loans. This paper reviews the legislative intent of the CRA and the actions taken by the Federal Reserve System since the implementation of the CRA. The analysis focuses on the relationship between the CRA and credit allocation as carried out by the Federal Reserve.

A review of developments stemming from

Federal Reserve System actions on bank and banking organization applications that involved specific CRA issues, either raised by protestants or consumer compliance examiners, indicates that these actions appear to be consistent with congressional intent. In this regard, the System has attempted neither to pressure institutions to allocate funds to specific neighborhoods or groups nor to offer a particular mix of credit. On the other hand, a number of negotiated settlements of CRA protests, as well as conditions imposed by other supervisory agencies, have raised the specter of credit allocation. Inasmuch as the geographic allocation of funds is often a primary goal of protestants, negotiated CRA settlements in the future are likely to continue to involve some elements of geographic credit allocation. □

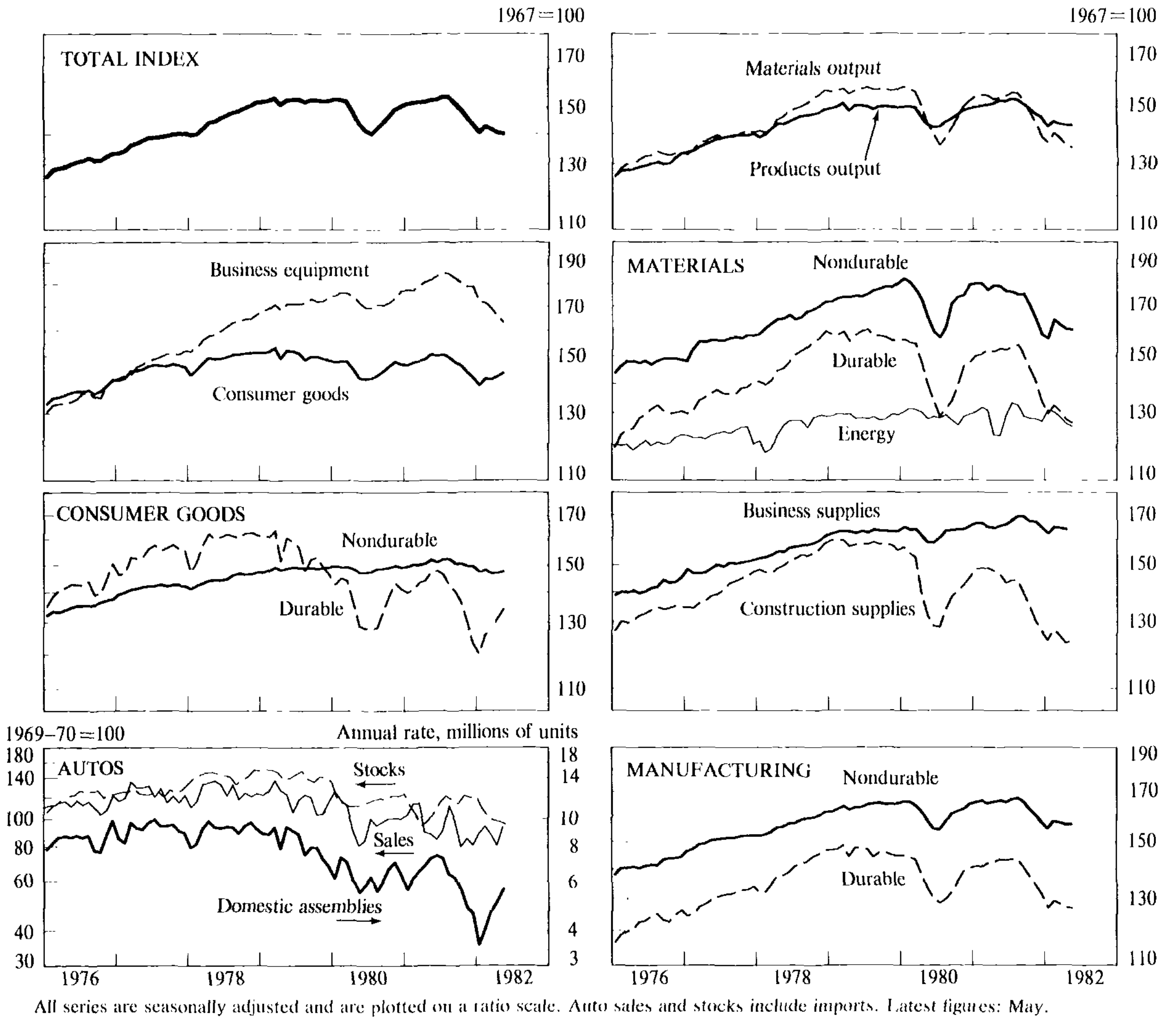
Industrial Production

Released for publication June 15

Industrial production edged down an estimated 0.2 percent in May, after declines of 0.8 percent in each of the two preceding months. Output of business equipment and basic metals continued to drop sharply, while consumer goods increased again. At 140.3 percent of the 1967 average, the index in May was 8.8 percent below its recent peak in July 1981.

In market groupings, production of consumer durable goods increased 2.3 percent in May, reflecting a sharp rise in automotive products and little change in home goods. Autos were assembled at an annual rate of 5.6 million units, up about 10 percent from the April rate. Output of lightweight trucks also advanced further. Nondurable consumer goods evidenced another small increase.

Output of business equipment was reduced 1.6



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

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, May 1981 to May 1982
	1982		1982					
	Apr.[p]	May[e]	Jan.	Feb.	Mar.	Apr.	May	
			Major market groupings					
Total industrial production	**140.6**	**140.3**	**−1.9**	**1.6**	**−.8**	**−.8**	**−.2**	**−8.1**
Products, total	143.4	143.3	−2.3	1.2	−.6	−.3	.1	−5.9
Final products	143.2	143.3	−2.4	.9	−.5	−.1	.1	−5.3
Consumer goods	142.6	143.8	−1.7	1.6	−.2	.8	.8	−4.6
Durable	131.2	134.2	−2.5	4.8	1.9	2.3	2.3	−8.9
Nondurable	147.1	147.6	−1.4	.5	−.9	.2	.3	−3.0
Business equipment	166.0	163.3	−3.8	−.3	−1.5	−1.8	−1.6	−10.3
Defense and space	107.3	107.9	−1.7	1.2	.7	.1	.6	5.8
Intermediate products	143.8	143.5	−1.7	2.0	−.8	−1.0	−.2	−8.1
Construction supplies	123.4	123.9	−2.2	2.7	−1.4	1.8	.4	−15.4
Materials	136.4	135.5	−1.3	2.3	−1.3	−1.6	−.7	−11.7
			Major industry groupings					
Manufacturing	139.2	139.1	−2.5	1.7	−.5	−.7	−.1	−9.0
Durable	127.3	127.0	−3.2	1.7	−.8	−.8	−.2	−11.5
Nondurable	156.6	156.7	−1.5	1.7	−.3	.4	.1	−5.8
Mining	133.3	130.1	1.3	−1.5	−2.7	−3.8	2.4	−3.9
Utilities	170.0	169.1	2.1	−.8	−.3	.1	−.5	−.9

p Preliminary. e Estimated. NOTE. Indexes are seasonally adjusted.

percent further in May, after cutbacks totaling more than 10 percent over the nine preceding months. Large declines occurred in May in building and mining and manufacturing equipment. Production of defense equipment rose again. Construction supplies increased slightly, after sharp declines in March and April.

Output of materials declined 0.7 percent in May—about half of the reduction that occurred in each of the two preceding months. Among durable materials, sharp cutbacks continued in the production of basic metals and equipment parts; in contrast, parts for consumer durable goods rose for the fourth consecutive month, largely reflecting gains in the automotive sector. Nondurable materials and energy materials decreased again.

In industry groupings, output of manufacturing edged down 0.1 percent in May. Production of durable manufacturing decreased 0.2 percent, as sizable declines in primary metals and machinery were partially offset by a higher level of motor vehicle output; production in nondurable manufacturing was almost unchanged. Output of mining dropped 2.4 percent, and utilities declined 0.5 percent.

Statements to Congress

Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, May 19, 1982.

I am pleased to testify on H.R. 6016, a bill that would facilitate the establishment and operation of export trading companies.

At the outset, I should like to restate the view of the Board that the United States needs a strong export sector. Export trading companies have been proposed as a means of contributing to the achievement of this goal by providing producers of goods and services that have additional business opportunities with a way of reducing the risks associated with foreign business endeavors and offering producers a wide variety of services. Export trading companies may be able to provide assistance to small- and medium-size U.S. businesses producing goods that can be marketed abroad.

Some have suggested that participation by banks, particularly bank ownership, is essential to the effective operation of export trading companies. In the Board's view, the question of whether export trading companies can be of significant help to U.S. exporters does not depend upon such a role for banks, as I have testified in the past. But in any event, I believe, more important problems of principle are posed by bank equity ownership of entities directly engaged in commerce. Bank control of trading companies runs counter to our long-standing national policy, firmly embedded in legislation, of the separation of banking and commerce.

This policy has its basis in two principal concerns: (1) the safety and soundness of particular banks, and of the banking system in general, might be impaired if banks were closely affiliated with the ownership, management, and operation of a potentially high-risk nonbank business, and (2) a bank might allocate available credit on bases other than the creditworthiness of the borrower by giving preference to customers of the banks' affiliates or by denying credit to competitors of the banks' affiliates—possibilities that illustrate the basic issues of avoiding conflicts of interest and excessive concentration of resources.

The separation of banking and commerce has served this nation well in promoting a strong banking system and economic competition. The Board is concerned that a breach of that traditional separation in the case of trading companies could adversely affect the safety and soundness of U.S. banks as well as their role as impartial arbiters of credit and could be an adverse precedent for breaches of this wall in other areas.

The Board is also concerned with the risks arising from bank involvement as managers and controlling investors in new enterprises at a time when bank capital generally is at an uncomfortably low level. The Board and the Comptroller of the Currency recently issued a joint policy statement setting forth their concerns over the secular declines in the capital ratios of the nation's largest banking organizations and indicating their intention to encourage through supervisory policies appropriate steps to improve the capital positions of the lower-ranking members of the large-bank group. This situation suggests the need for caution in any opening of the doors to new enterprises with largely unknown risks.

While reiterating the view that banking organizations should not generally have controlling interests in export trading companies, I shall direct my remarks to the specific provisions of H.R. 6016 as they relate to the concerns of the Board.

The Board has previously supported the view that if banks are to be affiliated with export trading companies, the investments in trading companies should be held only through bank holding companies. I am pleased that H.R. 6016 goes far toward meeting this objective by providing that interests in export trading companies could be held only through bank holding companies or Edge corporations.

The proper location and the amount of supervision of nonbanking activities of bank holding companies have been the subject of much discussion recently. The Treasury, for example, has suggested that all nonbanking activities should be required to be conducted through separate subsidiaries of a bank holding company. In its view, this requirement, would adequately insulate affiliated banks from such activities and so would make possible virtually automatic approval of the activity and allow regulatory oversight to remain minimal.

In the past, the Board has seen no strong need to require *banking* activities to be conducted in separate subsidiaries. Indeed, allowing banking organizations the latitude to develop organizational structures designed to suit their unique needs has advantages in the form of economic efficiency and easier regulatory oversight. Such an approach has proved advantageous to banks and holding companies of all sizes and locations in providing a range of banking activities in structures that promote competition. We continue to support this approach as a general principle for banking activities, and particularly for expanded securities activities that are closely related to banking.

On the other hand, the Board believes the appropriate location for trading company activities would be in a subsidiary of a holding company, rather than in a direct subsidiary of the bank or its Edge corporation. In the case of export trading companies the Board believes such an arrangement to be desirable because export trading companies would represent the first instance of bank holding companies being permitted to own companies engaged in commerce as distinguished from banking. This arrangement would have the advantage of assuring uniform regulatory oversight over a new and potentially risky activity.

The Board would be further concerned if the traditional barrier between banking and commerce were breached not only by allowing banking organizations to engage in nonbank activities but also by allowing banking organizations to be partners in ventures with nonbank companies. We have generally opposed joint ventures involving bank holding companies and nonbank organizations, especially when the nonbank company was engaged in manufacturing or commercial enterprise. Accordingly, the Board believes that any export trading company legislation should restrict the ability of banking and nonbanking organizations to own jointly an export trading company.

Another suggestion is that banks below a certain size, which are unlikely to have a bank holding company parent, should be permitted to invest directly in export trading companies. But the reasons for restricting export trading company ownership to bank holding companies apply equally to banks that do not have a parent holding company. While the Board has in the past indicated that passive minority investments in export trading companies of a purely financial nature might be permitted for banks as well as bank holding companies, all significant investments in trading companies, and certainly all controlling investments, should be permitted only through a bank holding company.

In addition to prohibiting direct bank ownership of export trading companies, I believe other safeguards in H.R. 6016 are important in limiting the risks to which a banking organization would be exposed as a result of a controlling interest in an export trading company. The bill recognizes that the area in which the bank's expertise is likely to be of greatest value to the trading company is through financing, and places restrictions on the investments in and extensions of credit to the trading company by the bank holding company.

However, the proposal in H.R. 6016 to apply section 23A of the Federal Reserve Act to the bank holding company with respect to its extensions of credit to its affiliate trading company would be an unusual application of section 23A. That provision has previously been applied only to banks, and not to bank holding companies, with the purpose of safeguarding the resources of banks against misuse of those resources for the benefit of organizations under common control with the bank. I feel bound to point out that this provision in H.R. 6016 would virtually eliminate extensions of credit from the holding company to its controlled export trading company because of the stringent collateral requirements of section 23A. On the other hand, the effect of this approach would be to permit—without any limits—extensions of credit by other nonbank affiliates, such as a holding company's finance company subsidiary, to the trading company.

A more effective approach would be to limit extensions of credit by a banking organization and its affiliates to any single export trading company to an amount that, together with the investment in that company, would not exceed 10 percent of the banking organization's capital, while total equity investment by a banking organization in one or more trading companies could not exceed, in the aggregate, 5 percent of the banking organization's capital. These loans could be made by the bank, its Edge corporations, or other holding company affiliates. The bank's lending would, of course, also be limited by the amount and collateral requirements of section 23A. We believe that this method of limiting the exposure of the banking organization to this new activity would be both workable and prudent.

In addition, I believe other reasonable steps can be taken to limit the banking organization's financial exposure. H.R. 6016 could further be strengthened by a provision similar to the one in S.734 that prohibits a bank holding company and its affiliates from making extensions of credit to the customers of its affiliated export trading company on terms more favorable than those afforded similar borrowers in similar circumstances, and requires that such extensions of credit involve no more than the normal risk of repayment or present other unfavorable features.

The Board also believes that an export trading company controlled by a bank holding company should be prohibited from taking title to goods or commodities except in very limited circumstances. The export trading company should be allowed to take title to goods or commodities only on the basis of firm orders from customers or when necessary to effectuate a sale. Moreover, the bill should clearly authorize the Board to determine that, if an export trading company controlled by a bank holding company holds manufactured goods or commodities in inventory in order to speculate on price movements in these goods, such activity would constitute an unsafe or unsound practice.

Two additional safeguards in H.R. 6016 concerning the use of the name of the bank or bank holding company as the name of the export trading company and the participation of these companies in manufacturing are of particular importance to the Board in considering this legislation. We have in the past supported the safeguard in H.R. 6016 that prohibits an export trading company from having a name similar in any respect to that of the bank or bank holding company with which it is affiliated through stock ownership. As in the case of real estate investment trusts in the mid-1970s, public identification of a bank with another enterprise could involve the bank in significant losses, even when it has no ownership interest.

We believe that the use of the name of the bank or bank holding company to promote the activities of an export trading company, which are not in our view closely related to the business of banking, is inappropriate for a number of reasons. First, such use incorrectly implies that the full faith and credit of the affiliated bank stands behind the export trading company. Second, it could have an adverse effect on the reputation and public confidence in the bank if the export trading company were to suffer a financial setback. Third, a greater likelihood exists that the assets of the banking organization would be depleted in order to bail out a troubled export trading company with a similar name.

We have made the same recommendation for bank participation in securities functions such as stock and bond mutual funds. This recommendation has even greater force with respect to bank holding company activity that breaches the line between commerce and banking. Accordingly, the Board supports the proposal that an export trading company not bear a name similar to that of its affiliated bank or bank holding company, even when the bank holding company has a controlling ownership interest in the export trading company.

H.R. 6016 also provides that an export trading company owned by a bank holding company may not engage in manufacturing. The Board's concern over control of export trading companies by bank holding companies is based on a continuing belief that the traditional separation of banking and commerce is a wise policy; accordingly, we favor legislation that limits the extent to which a bank holding company may engage in commercial activities through the export trading company, without significantly jeopardizing the viability of that company. I do not believe that a prohibition on manufacturing would in any way compromise the ability of export trading companies to play a constructive role in facilitating exports. For example, if modifications to products are required, to have them performed by the manufacturer, or by an independent manufacturer, rather than by the export trading company, would seem both preferable and feasible. This provision would further the basic principle of the separation of the business of banking from the conduct of commerce.

Finally, H.R. 6016 provides that the Board approve each investment by a bank holding company in an export trading company. In the Board's view it is appropriate to allow some level of noncontrolling investments (more than 5 percent but less than 20 percent) that may be made in export trading companies without applying the standards with respect to controlling interests in export trading companies that we recommend below, provided such investments meet the criteria in section 4 of the Bank Holding Company Act. The Board anticipates that applications of this type could be abbreviated and processed under expedited procedures.

With regard to the standards on controlling interests, H.R. 6016 as currently drafted, does not, in our view, provide sufficient guidance as to when the Board should disapprove an application to make a controlling investment in an export trading company. The bill states that the Board may not grant approval of any application to acquire an interest in an export trading company unless the Board has taken into consideration the financial and managerial resources, competitive situation, and future prospects of the bank holding company and the export trading company involved. The legislation also gives the Board authority to impose restrictions, by regulation or otherwise, that the Board considers necessary to prevent conflicts of interest, unsafe or unsound banking practices, undue concentration of resources, and decreased or unfair competition.

In considering applications involving control, an appropriate requirement might be that the Board find a reasonable likelihood that the bank investment would bring about an increase in the level of exports or in the penetration of foreign markets that would not otherwise occur. The Board should be authorized to deny an application unless the activities of the export trading company would be limited to international trade in specific goods and services and unless the bank investment could contribute substantially both to the establishment of the trading company and to exporting or facilitating the exportation of goods and services.

Also, the bill should state that, if the Board finds any adverse financial, managerial, competitive, or other banking factors associated with the particular investment, it has the discretion to approve the application only if it determines that the export benefits clearly outweigh any such adverse effects. These standards would place a heavier burden on bank holding company applicants to demonstrate the benefits of their proposed investment. The balancing test would be similar to the test that the Board administers in acting upon applications pursuant to section 4(c)(8) of the Bank Holding Company Act. The Board and its staff would, of course, be willing to work with the subcommittee in drafting appropriate language to this effect.

In addition to its provisions regarding export trading companies, H.R. 6016 would amend the Federal Reserve Act to increase the aggregate limitation on the amount of eligible bankers acceptances that may be issued by a member bank from 50 percent of capital and surplus (100 percent with the Board's permission) to 150 percent of capital and surplus (200 percent with the Board's permission). The limitations would be applied also to nonmember commercial banks and to U.S. branches and agencies of foreign banks.

The Board believes that both expanding the current aggregate limitation on the issuance of eligible bankers acceptances and applying those limits to the other entities with which member banks compete in the acceptance market are appropriate. In applying the limitation on eligible bankers acceptances to U.S. branches and agencies of foreign banks, the Board believes that the appropriate measure of capital is the worldwide capital of the parent foreign bank. Use of such a measure in this country would be consistent with the efforts being made to promote the use of worldwide capital, rather than local-based capital, for purposes of prudential limitations imposed in other countries.

The Board believes, however, that the provision as now drafted presents potential problems with regard to participations. Under the existing language, a bank could expand the amount of its bankers acceptances outstanding virtually without limit by issuing participations to other banks. Such a practice would undermine the effectiveness of the limits established by the bill and could adversely affect monetary policy to the extent that bankers acceptances are substituted for liabilities that would otherwise be subject to reserve requirements. We believe that this problem could be corrected through a specific provision that authorizes the Board to establish terms and conditions under which participations in bankers acceptances may be issued. In this connection, the Board previously submitted a draft bill that would not give rise to these problems and recommends that this language be adopted in place of the present provision.

In conclusion, I should restate the Board's position that the U.S. economy would best be served by having banking organizations assist trading companies as bankers and limited investors rather than as owner-operators of these firms. However, in the event that the legislation is enacted that would enable banking organizations to have a controlling ownership investment in export trading companies, the Board believes that the restriction of the ownership interests in export trading companies to bank holding companies, together with the other limitations on the holding company's relationship to its controlled trading company and on the activities of the trading company itself that I have discussed, is an important and necessary safeguard. □

Statement by Preston Martin, Vice Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, May 26, 1982.

I am pleased to appear before you to present the Federal Reserve Board's views on S. 2531 (the Capital Assistance Act of 1982) and S. 2532 (the Deposit Insurance Flexibility Act). The Board welcomes Senate consideration of the issues raised by these two interrelated bills, supports their objectives, and urges prompt Senate action to increase the ability of the agencies to address the current financial problems facing the nation's thrift institutions.

As this committee well knows, the present difficulties of the thrift industry, which S. 2531 and S. 2532 address, reflect the combination of rising deposit costs and portfolios composed largely of long-term, fixed-rate assets acquired in periods of lower interest rates. As a result, thrift institutions in the aggregate have suffered significant operating losses and their capital position is being sharply eroded. The problem reflects the general conditions of the economy and the money market, as well as the long-run effect of public policies that have fostered portfolio concentration by thrifts in fixed-rate, long-term residential mortgages, rather than endemic poor management. The Board's view is that disinflationary policies will continue to succeed, contributing to lower and more stable interest rates, and a reversal of the pressure on the earnings and capital of thrift institutions. The runoff of older portfolio assets and the growing use of alternative mortgage instruments will also work to improve earnings. In the interim, however, special measures are required to bridge the gap until more normal operating conditions can be restored.

During the transition period, the regulatory agencies need the tools to support those institutions with sound assets and satisfactory prospects, and to continue to reorganize or merge those that will not be able to operate profitably even in normal circumstances. By providing additional flexibility to the regulators, the bills provide the agencies with the powers necessary to deal with the transitional problems faced by depository institutions—especially the nation's thrift institutions.

The bills before the committee do not fundamentally alter the basic authority or role of the agencies, but rather provide the framework for assistance programs for those depository institutions that, with some support, would likely survive a period of financial stress, and also broaden merger possibilities for those institutions that probably cannot. The bills remove certain impediments, under carefully prescribed circumstances, that experience shows limit the ability of the regulators to deal with the practical realities facing them. Up to the present time the regulators have been able to respond to the problems under existing authority. However, the Board is concerned that future circumstances may make it extremely difficult—if not impossible—for the agencies to find satisfactory solutions in specific instances under existing statutory limitations. Prudence dictates the removal of those existing limitations that may result in more costly or inefficient solutions or that have the potential to widen the market impact of financial distress of a few depository institutions.

S. 2532 is very similar to the regulators' bill that Chairman Volcker recommended and endorsed in testimony on S. 1720 before this committee last fall. The bill now before the committee has two main elements. First, it broadens the authority of the Federal Deposit Insurance Corporation (FDIC) and the Federal Savings and Loan Insurance Corporation (FSLIC) to provide financial assistance to distressed institutions if such assistance will be less costly to the insurance funds than assisted mergers or liquidation. Currently, the FDIC can only provide such assistance when it finds that both the particular institution to be assisted is "essential" to the community and the assistance is less costly than other alternatives. The present statutory test may hinder the ability of the FDIC to assist institutions, particularly in markets where a large number of depository institutions operate. In these heavily served areas, the "essentiality" test might be difficult to meet even though the failure or liquidation of one or more institutions might adversely affect confidence in the financial services industry generally. Under S. 2532, the FDIC would no longer be constrained by the essentiality test. Rather, it could in addition provide assistance to institutions that are likely to be viable in the long run when "severe financial conditions exist that threaten the stability of a significant number of" insured institutions. Such assistance is conditioned on a finding that it will "lessen the risk to the" insurance fund and will be less costly than liquidation.

Second, S. 2532 provides clear and specific guidance as to the circumstances under which failing thrifts can be acquired by out-of-state institutions or, as a last resort in those circumstances in which merger with another thrift is not practicable, by bank holding companies. In order to facilitate mergers, the bill also overcomes limitations in some states that prohibit mutual thrifts from converting to stock form.

Earlier this year the Federal Reserve authorized the acquisition of a financially distressed non-FSLIC-insured savings and loan by a bank holding company, as Chairman Volcker previously indicated might be necessary if the Board were faced with an emergency situation. The Board has also returned a proposed application by a bank holding company to acquire a thrift because the major activity that the applicant proposed to undertake through the thrift—equity real estate development—is not permitted to bank holding companies. Other bank holding companies recently have expressed interest in acquiring thrifts, some of which are not in critical condition. Consequently, the Federal Reserve continues to believe that it is desirable for the Congress to provide guidance on bank holding company acquisitions of thrift institutions. S. 2532 would provide this guidance.

The legislation would also authorize, under carefully prescribed circumstances, the acquisition of a failing large bank by an out-of-state bank or bank holding company. For several years, the regulators have asked for such authority because of their concern that, in the event of failure of a large bank, an in-state institution capable of acquiring the failing bank may not exist. Some observers have been concerned that such authority—as well as bank holding company acquisitions of financially distressed thrifts—might be used as a back-door method of undermining the principles established by the McFadden Act and Douglas amendment. However, the prescribed procedures and limitations of the bill assure that this provision will be used solely to resolve serious individual problems and not to facilitate a wholesale restructuring of the financial system.

The Board views the thrust of the Capital Assistance Act of 1982 (S. 2531) as a logical and desirable extension of the capital assistance authority of the Deposit Insurance Flexibility Act (S. 2532). Capital infusion to institutions that have a reasonable prospect of viability when interest rates decline provides an efficient and cost-effective tool as an alternative to immediate liquidation or merger of financially distressed institutions. Capital infusion provides time for such institutions to rebuild their capital position from future earnings. However, capital assistance should not be used to maintain the existence of institutions that find themselves in difficulty due to mismanagement or speculation because they would be unlikely to recover even under favorable circumstances in financial markets. S. 2531 explicitly addresses the latter concern by prohibiting capital infusion to cover losses arising from mismanagement or speculation.

More generally, assistance is not automatic for all low-capital institutions incurring losses. The bill provides desirable discretion to the agencies to assure that assistance is provided only to those institutions that have reasonable prospects for viability at lower interest rates. For these depository institutions, the bill establishes an initial schedule for capital infusion related to net worth and actual losses—the lower the net worth, the higher the amount of capital infusion that may be provided. However, the size of capital assistance called for by the schedule is always less than actual losses, and hence continues to bring market discipline to bear. The bill therefore is not intended to allow a widespread "bailout" of financially distressed banks or thrifts, and indeed the terms and conditions under which capital assistance may be provided assure that such bailouts will not occur.

S. 2531 recognizes that no single schedule can adequately take into account all of the practical issues that the insurance funds may encounter. It therefore permits the funds to depart from the initial schedule and provide less or additional assistance as the situation demands. However, in no instance may assistance exceed an institution's losses for the "immediately preceding period." While the approach established by the bill appears to be adequate to meet the foreseeable temporary needs of depository institutions, the Board would support additional flexibility that would permit, in carefully circumscribed instances, larger amounts of capital infusion if such infusion would ultimately result in less cost to the insurance funds. For example, specific situations may arise when raising the capital ratio of an institution with very low capital to a specific level, such as 2 percent, and maintaining it at that level for a period would be desirable. The Board believes in the importance of a capital infusion program that provides the insurance funds with discretion and flexibility to fashion assistance programs to meet the unique needs of individual institutions. Generally, S. 2531 provides considerable discretion, but the committee may wish to consider minor modifications to assure that a specific capital ratio can be achieved and maintained when desirable in individual cases.

Without a capital infusion program, the number of assisted mergers and perhaps even liquidations would likely be larger, involving commitments by the insurance funds, all of which may show up as current or future federal expenditures. While capital infusion under this bill requires no current outlays, the notes issued by the insurance funds to the assisted institutions may involve interest payments that will be reflected in the budget. However, by forestalling the need for mergers or liquidations of institutions that can be viable in the long run, both current and future budget expenditures should be reduced. Indeed, by regarding capital assistance as net worth for statutory and regulatory purposes, the bill may prevent the need to merge or liquidate institutions that would otherwise be required to be closed under state law. Still, the Congress may later need to consider providing supplementary resources to the insurance funds to help cover their obligations incurred under S. 2531.

In conclusion, let me reiterate that the Federal Reserve believes that the expanded authority along the lines authorized by these two bills is urgently needed, given the temporary circumstances faced by depository institutions. No one knows how long these difficulties will continue, but without such legislation the Board is concerned that situations could develop in which the regulators would be unable to address the problems of particular distressed institutions in a prompt and cost-effective manner. The Federal Reserve believes that there should be no question about the ability and willingness of the government to assure the continued smooth functioning of our financial system as required in the public interest. Consequently, the Board supports the objectives of these bills and urges prompt action by the Senate along these lines.

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, May 26, 1982.

I am pleased to appear before this subcommittee to discuss my views of the current financial condition of our nation's businesses and its relationship to monetary and fiscal policy.

Recent headlines attest to the timeliness of these hearings. Business failures have risen sharply and are now at their highest levels of the postwar period, and several extremely large firms have filed for bankruptcy in recent weeks. Beset by a very sluggish economy and sharply declining profits and burdened by continuing high interest rates, the financial health of the business community has worsened steadily over recent quarters. Moreover, this situation has followed a more gradual weakening in financial structure that has accompanied a decade and a half of accelerating inflation. Indeed, growing expectations of inflation encouraged businesses to take risks they might not otherwise have taken, to tolerate unbalanced debt structures, and to accept unwarranted cost increases in hopes that things would work out over time.

At the Federal Reserve we believe that the financial situation of businesses will improve gradually as the economy resumes its growth on a steadier and less inflationary path. There are encouraging signs that significant progress has been made in laying the foundation for such growth. Economic activity should be on a recovery trend later this year and substantial—though still partial—success has been achieved in cooling inflation and inflation expectations. Nevertheless, the current financial difficulties seem likely to persist for a while longer, and they are of very substantial concern.

THE CURRENT ENVIRONMENT

The proximate causes of the difficulties that many business firms are now facing are the extremely sluggish performance of the economy and profits over the past several years and the high levels of interest rates that have prevailed during most of that time. Most companies typically experience both declining real sales and a drop in profits during cyclical contractions, as revenues fall off faster than costs can be cut back. But what makes the profit squeeze we are now witnessing so severe is that it comes on the heels of three years of relatively sluggish growth in profits. Also, the persistence of high interest rates has added to the problems of businesses. In the past, interest rates generally have fallen sharply during periods of economic slack, providing some relief to businesses in meeting their debt obligations and financing activities when sales and revenues were depressed. The downward movement in rates in the current recession has been quite limited thus far, reflecting a variety of factors; these include the continued nervous state of credit markets, the exceptionally heavy current and prospective financing of the federal deficit, and the need to keep monetary policy on a steady noninflationary course of moderation.

Continuing high interest rates have had a particularly marked effect on businesses because many firms have come to rely heavily on credit, particularly short-term sources of funds, over the years. At the same time, they have reduced their cushion of liquid assets relative to their liabilities. These trends reflect basic shifts in corporate financing patterns that have been under way for many years—trends fundamentally related to the long period of substantial and intensifying inflation to which our economy has been subjected.

BACKGROUND

The years since the mid-1960s have been marked by tremendous changes in financial markets. The major inducement to change has been the shift—albeit a gradual one—from an environment of relatively stable prices to one in which inflation seemed to become a permanent and increasingly pernicious feature of the economic landscape. The most obvious effect of the accelerating price movement was the irregular upward trend in nominal interest rates. With the pace of inflation quickening, lenders required larger premiums to compensate for the anticipated reduction in purchasing power of the funds they would be repaid.

Borrowers, of course, were not happy to pay higher rates, but for many years they were willing to do so in the expectation that incomes would rise to equal or exceed the general increase in prices. In addition, higher prices meant that more and more funds were required to finance any particular scale of activities. Because these needs consistently outpaced retained earnings—a residual item in business operations—a large volume of outside funds had to be raised and cost considerations favored doing this in the credit markets.

In an inflationary environment, the attractiveness of debt relative to equity financing is enhanced, in part because tax laws treat interest payments as tax deductible whereas dividend payments are not. Thus, as nominal interest rates rise to reflect inflation expectations, the increased interest payments by corporations are partly offset by lower corporate taxes. In addition, equity financing becomes less attractive because of the depressing impact of cost-push inflation on corporate profitability and the higher capitalization rates required by investors in translating these profits into stock market values. Since 1972 many stock prices have shown little increase and price–earnings ratios have fallen to historically low levels. Therefore, corporations have come to rely more and more heavily on debt in financing their inflated needs.

As corporations have turned increasingly to debt markets for financing, the types and terms of credit instruments being issued in these markets have been in process of change. For the most part, these changes reflect efforts by both borrowers and lenders to limit their exposure to unexpected shifts in securities prices and interest rates. Investors, threatened by the unanticipated erosion in the capital value of their investments, have become increasingly reluctant to commit funds for long periods. Instead they have preferred short-term instruments in placing their savings, so that returns would closely reflect current interest rates and the risks of depreciation in market values would be largely avoided. Even longer-term securities, as well as term loans and residential mortgage contracts, now often provide for adjustable rates or carry shorter maturities. A major portion of new bond issues coming to market currently have maturities of 15 years or less—a sharp contrast to the maturities of 25 years or longer prevalent in earlier years.

The limited supply of funds available for long-term investment has prevented some corporations from funding their short-term liabilities, while other corporations, concerned about the high rates prevailing in bond markets, have been reluctant to lock themselves into long-term liabilities at these high rates. As seems quite rational, many have preferred instead to finance short term in the expectation that rates will drop or because they are uncertain about future rate and price movements and wish to maintain some flexibility. To be sure, we have seen some periodic spurts of activity in long-term bond markets, but only when long-term rates have dipped and only because firms anticipated that further reductions were unlikely. Thus, reflecting both investor preference and corporate caution, the emphasis on financing has substantially increased the importance of short-term to total debt in nonfinancial corporations' balance sheets.

The implications of this development for corporate vulnerability generally are hard to assess. No doubt a high proportion of short-term debt increases a firm's exposure to adverse developments in financial markets because the debt must be rolled over at more frequent intervals. In the past, such exposure could present serious problems even to highly rated firms during periods of credit stringency because of institutional constraints that reduced the overall availability of credit. In particular, low regulatory ceilings on rates permitted to be paid on time deposits sometimes resulted in disintermediation at banks and other depository institutions when market interest rates rose; this disintermediation effectively limited the supply of loanable funds at these institutions. Usury ceilings also acted to constrain lending in some cases.

Such constraints are of much less importance in today's financial markets, however. Banks, for example, are now able to bid competitively for funds through the issuance of large certificates of deposit that pay market rates of interest. Thus, these institutional lenders can continue to meet the needs of all business borrowers able and willing to pay the going rate. Many businesses now maintain substantial backup lines of credit with banks, for which a fee is paid and which can be drawn on in times of need. The existence of these lines and the increased confidence by firms that they can borrow quickly if circumstances dictate have led to a reduction in the importance of liquid assets as a cushion against unexpected drains on cash flow. Therefore, a rather pronounced decline in the corporate liquidity ratio, as shown in chart 3, does not seem to me as significant as it might appear.[1]

However, the combination of high interest rates, an increased proportion of debt that can quickly reflect these rates, and a heavier debt burden generally have sharply increased the toll of interest charges on available earnings. For all nonfinancial corporations, the ratio of interest charges to total earnings has risen from less than 10 percent in 1965 to a new high of more than 40 percent in the first quarter of 1982. The peaks in the chart correspond to periods of recession, and the sustained high ratio over the past two years or so importantly reflects the weak profit performance of business in general as well as the further deterioration caused by the recent cyclical decline. Nevertheless, the point is that interest—unlike dividends—must be paid, whether current earnings are sufficient to cover it or not. Any sustained failure to cover interest charges will likely lead over time to bankruptcy.

Thus, one's concern about heavy debt service charges becomes particularly acute when adverse developments affect a firm's product market and threaten its ability to generate profits and cash flow. Strained liquidity positions and high interest rates are very serious problems for such companies because their ability to service their debt has declined and the longer-run outlook for earnings growth becomes more questionable. The problems facing such businesses tend to be cumulative: struggling companies are likely to have their credit ratings lowered, making it more costly and difficult to obtain credit. The greater the extent of their borrowing in short-term markets or through issuance of variable-rate instruments, the more rapidly will their costs increase and the greater will be the risk that they will be unable to roll over maturing debt at any reasonable cost.

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

The denial of credit to established borrowers is a step that institutional lenders generally try to avoid. Banks and other creditors are acutely aware of the problems facing their customers and have a strong interest in the continued operations of firms whose long-term viability appears sound. Concessions by creditors—such as deferrals of interest payments and extensions of maturity dates—have often been granted in recent periods in efforts to work with debtors to overcome temporary setbacks, and no doubt these concessions will continue to be made for borrowers whose difficulties appear to be transitory.

But in the current environment, as economic activity has remained weak and interest rates high, the problems of a good many firms have come to seem too great to treat as a temporary setback. The rising number of bankruptcies are evidence of this, though I would note that the rate of bankruptcy has risen less sharply because of a very considerable growth in the total population of business firms over the years. Of course many of the firms facing difficulties today have suffered from critical errors in planning or from domestic and international competition that has increased their vulnerability to adverse conditions. Nevertheless, in this environment a danger exists that loss of confidence in the ability of business to grow and thrive could have a seriously depressing effect on investment and threaten the economy's future performance. These are matters that should and do greatly concern the Federal Reserve Board and others in policymaking positions.

Policy Implications

Let me, therefore, turn now to the implications of these developments for economic policy. You have asked me to address specifically two questions: First, how has the increase in corporate use of short-term credit affected the growth of the monetary aggregates and what has this meant for policy? Second, looking ahead, what monetary or fiscal policy actions should be taken to reduce the likelihood of a further deterioration in corporate financial strength?

With regard to the first question, the shift in business credit demands to short-term credit markets has not been a significant problem for the implementation of monetary policy. As you know, the Federal Reserve formulates its monetary policy in terms of target ranges for the growth rates of various measures of money over one-year spans. We also specify a range for bank credit growth thought to be consistent with money growth objectives; this measure contains as a principal component the business loans outstanding at commercial banks. For 1982, we have indicated our expectation that M1 would grow toward the upper end of a $2^1/_2$ to $5^1/_2$ percent range, M2 within a 6 to 9 percent range, M3 in a $6^1/_2$ to $9^1/_2$ percent range, and aggregate bank credit between 6 and 9 percent.

Business demands on banks for credit would be unlikely to have any direct effect on M1, a narrowly defined aggregate that comprises only transaction balances. The public's holdings of such balances depend primarily on the level of nominal spending, on precautionary attitudes, and on the opportunity cost of holding assets that bear no or only a modest interest return; because of the externally determined nature of the deposit balances that are a part of M1, banks cannot use such balances as a flexible source of funds to meet business credit needs. The broader aggregates, on the other hand, are affected by the shifting composition of debt instruments. M3 in particular might be expected to show the effects of greater short-term borrowing by business firms because it includes large certificates of deposit and other market instruments, which are sold more or less aggressively by banks to finance credit demands exceeding core deposit growth. Both M2 and M3 include the shares of the rapidly growing money market mutual funds, which invest considerable amounts in commercial paper and bank CDs, but these balances are thought to represent mainly funds that otherwise would have been placed directly in M2- or M3-type deposits.

While we pay careful attention to developments in bank credit and the broad M3 monetary aggregate, however, the Federal Reserve typically places a good deal more emphasis on the behavior of M1 and M2, both in operations and in policy determination. This is so because these variables are more susceptible to monetary control and also because they have exhibited a more dependable historical relationship with ultimate target variables—prices and output.

I would like to turn now to the more basic question of whether there should be any change in the role that monetary policy plays to reduce the likelihood of a further deterioration in corporate liquidity. In my view, two lessons stand out plainly from the experience of the past 15 years. First, it has become abundantly clear that we must conduct our affairs so as to bring inflation under control. Only then are interest rates likely to move to permanently lower levels, and only then will we see lasting improvement in the financial health of the business community as a whole. The rise of inflation, and the uncertainties and distortions that accompanied it, were important factors that induced firms to structure their financing in ways that made them more vulnerable to economic setbacks. Absent substantial progress on reducing inflation, I fear that we will see further gradual erosion of financial strength. Second, success in achieving this objective requires systematic restraint in the growth of money and credit; inflation may originate from many causes, but it can flourish over an extended period only to the extent that it is accommodated by excessive monetary expansion. Thus, the Federal Reserve has been and continues to be committed to a program of moderation in the growth of money and credit as we work to restore an environment conducive to noninflationary growth.

Recently, encouraging signs have appeared that the national effort to slow inflation is bearing fruit. Price increases at both the consumer and the producer levels have been much reduced of late, and there has been heartening—though still only partial—progress in reducing the strong upward trend in wages and other costs. Inflation expectations are far from broken, however, as is reflected in the failure of nominal interest rates to follow the inflation rate down. Market perceptions that the Federal Reserve was backing away from its commitment to financial discipline could quickly undermine the progress that has been achieved to date.

My final point concerns fiscal policy. Monetary restraint, especially when operating in isolation, falls unevenly on different sectors of the economy, depending on their sensitivity to credit conditions. In recent months, in my opinion, a major cause of taut conditions in financial markets, and especially the high level of long-term interest rates, has been the current budget impasse.

To reach an accord on the budget is therefore crucial and, if it is to bring significant improvement in financial conditions, that accord must offer specific and credible reductions in federal deficits to take the place of the large year-by-year increases now in prospect. Once this has been accomplished, I think we will have demonstrated convincingly to the financial markets the government's resolve to continue on with the fight against inflation. Though I normally do not engage in interest rate forecasts, I would venture to say that this outcome should produce handsome dividends in the form of lower levels of interest and restoration of a financial environment much more conducive to the revitalization of American business. □

Announcements

CAPITAL ADEQUACY CRITERIA

The Federal Reserve Board has made public the criteria for determining whether debt securities issued by state member banks and bank holding companies with a mandatory requirement for future conversion to equity can qualify as primary capital in assessing capital adequacy.

The Board will begin immediately to apply these criteria, which also have been adopted for national banks by the Office of the Comptroller of the Currency, to mandatory convertible issues of state member banks and bank holding companies. However, the Board asked for comment on the criteria, to be submitted to the Secretary of the Board by June 24, 1982. Any changes subsequently made in the criteria would apply to securities issued after the revision.

The Board and the Comptroller earlier had adopted guidelines for assessing bank and bank holding company capital adequacy to be used by the two agencies in the examination and supervision of financial institutions they supervise. The guidelines recognized the following as primary capital: common stock, perpetual preferred stock, capital surplus, undivided profits, reserves for contingencies and other capital reserves, the allowance for possible loan losses, and mandatory convertible instruments. The criteria now issued are meant to clarify the characteristics that mandatory convertible issues must have if they are to be included in primary capital.

The Board stressed that any organization that now has a capital deficiency should regard the sale of mandatory convertible securities as making up for the deficiency and not as the basis for additional leverage.

The criteria are as follows:

On December 17, 1981, the Federal Reserve and the Office of the Comptroller of the Currency issued capital adequacy guidelines that are now being used by these agencies in assessing the capital of well-managed national banks, state member banks, and bank holding companies. In implementing this capital program, the agencies are using two principal capital measurements: (1) primary capital and (2) total capital. Primary capital consists of common stock, perpetual preferred stock, capital surplus, undivided profits, reserves for contingencies and other capital reserves, mandatory convertible instruments, and the allowance for possible loan losses. Total capital includes the primary capital components plus limited life preferred stock and qualifying subordinated notes and debentures.

As indicated, one of the components of primary capital is mandatory convertible securities. Historically, banking organizations have issued mandatory convertible securities only on rare occasions. Recently, a sizable amount of securities sold were designed to qualify as mandatory convertible securities. A number of banking organizations have expressed interest in marketing similar securities and have inquired as to whether the terms and conditions of their proposals would qualify the issue for regulatory treatment as part of the institution's primary capital. In view of this interest, the Federal Reserve and the Office of the Comptroller of the Currency have developed a set of criteria that will be applied in determining whether a particular issue qualifies as primary capital. In developing the criteria, the agencies wish to stress that the principal determinant is the permanence of the funds and the certainty with which the debt issue will be replaced by permanent equity. In this respect, there have thus far been two basic approaches to the concept of mandatory convertible securities. The first is a so-called equity note that obligates the holder of the note to purchase a like amount of stock in the issuing institution. The second involves a note that obligates the issuer to sell stock in sufficient amounts to replace the debt obligation. In determining whether securities qualify as primary capital, the following criteria will be applied.

Securities with mandatory stock purchase contracts

The securities must mature in 12 years or less.

A stock purchase contract can be separated from a security and held separately only if the holder of the contract provides sufficient collateral to the issuer, or to an independent trustee for the benefit of the issuer, to assure performance under the contract.[1]

1. Collateral is defined as cash or certificates of deposit; U.S. government securities that will mature before maturity of the equity contract and that have a par or maturity value at least equal to the amount of the holder's obligation under the

Securities payable from sale of common or perpetual preferred stock

The securities must mature in 12 years or less.

The securities indenture must contain the following:

1. The issuer of the securities will establish a fund (identifiable from the records of the bank or with a separate trustee) solely from the sale of common or perpetual preferred stock. This fund will be the sole source of repayment of the securities.

2. By the time that one-third of the life of the securities has run, the issuer must have paid into the fund from the sale of common or perpetual preferred stock an amount equal to one-third of the original principal of the securities. By the time that two-thirds of the life of the securities has run, the issuer must have paid into the fund from the sale of common or perpetual preferred stock an amount equal to two-thirds of the original principal of the securities. The issuer must have paid into the fund from the sale of common or perpetual preferred stock an amount equal to the final one-third of principal of the securities at least 60 days prior to the maturity of the securities.

If a security is issued by a subsidiary of a bank or bank holding company, any guaranty of the principal by that subsidiary's parent bank or bank holding company must be subordinate to the same degree as the issue and limited to repayment of the principal amount of the note at its final maturity. The funded portions of the securities will be deducted from primary capital to avoid double counting. If the issuer fails to meet any of these periodic funding requirements, its supervisor immediately will cease to treat the unfunded securities as primary capital.

General provisions applicable to any type of mandatory convertible issues

The aggregate amount of mandatory convertible securities must not exceed 20 percent of primary capital other than mandatory convertible securities.

The issuer may redeem securities before maturity only with the proceeds of the sale of common or perpetual preferred stock of the bank or bank holding company or with the approval of its primary supervisor.

The holder of the security cannot accelerate the payment of principal except in the event of bankruptcy, insolvency, or reorganization.

The security must be subordinate in right of payment to all senior indebtedness of the issuer. In the event that the proceeds of the security are reloaned to an affiliate, the loan must be subordinated to the same degree as the original issue.

stock purchase contract; standby letters of credit issued by a U.S. bank that is not an affiliate of the issuer; or other collateral as may be designated from time to time by the regulators.

NOMINATIONS TO CONSUMER ADVISORY COUNCIL

The Federal Reserve Board has announced that it is seeking nominations of qualified individuals for 13 appointments to its Consumer Advisory Council, to replace members whose terms expire on December 31, 1982.

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 2, 1982. Nominations should include the name, address, and telephone number of the nominee; past and present positions held; and special knowledge, interests, and experience related to consumer financial 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. The Council meets four times a year.

REGULATIONS G, T, AND U: AMENDMENTS

The Federal Reserve Board on May 13, 1982, adopted amendments to its margin regulations that change the criteria for inclusion on the Board's list of stocks traded over the counter (OTC list). The regulations are as follows: G (Securities Credit by Persons Other than Banks, Brokers, or Dealers); T (Credit by Brokers and Dealers); and U (Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks).

Inclusion of a stock on this list enables brokers and dealers to lend on the stock in conformance with the Board's margin requirements. About 1,500 stocks are on the Board's OTC list.

Further, the Board decided that future changes in the OTC list, which is updated three times a year, will become effective two weeks after publication rather than immediately.

The following changes were adopted by the Board:

1. Inclusion on the list of eligible foreign securities.

2. Setting of mandatory price and capital criteria for determining eligibility for the OTC list (formerly, to be eligible, stocks could satisfy any two of three criteria: price, capital, or market value).

3. Reduction of requirements for *initial* listing to a capital requirement of $4 million (rather than $5 million), and the requirement for the number of shares held publicly lowered to 400,000 (rather than 500,000).

4. Reduction of requirements for *continued* listing to capital of $1 million (rather than $2.5 million) and a listed price of $2 (rather than $5).

Stocks that no longer meet eligibility requirements under the new criteria for listing on the Board's OTC list will be retained on the list for two years. The Board believes the revisions reflect changes in stock market conditions and exchange practices since the last major revision of the criteria in 1976.

Regulation T: Amendment

The Federal Reserve Board has amended its Regulation T (Credit by Brokers and Dealers) to broaden the types of collateral against which brokers and dealers may borrow and lend securities, effective May 17, 1982.

The revision would permit brokers and dealers to use as collateral letters of credit issued by federally insured banks, U.S. government securities, certain bank certificates of deposit and bankers acceptances, and letters of credit from foreign banks that have filed a specified agreement with the Board. Previously, brokers and dealers were able to borrow and lend securities only against cash collateral.

Proposed Actions

The Federal Reserve Board has asked for public comment on two proposed interpretations of Regulation B (Equal Credit Opportunity) and on the proposed withdrawal of three previously proposed amendments to the regulation. The Board requested comment by July 1, 1982.

The interpretations concern credit scoring and are revisions of previous proposals following staff assessment of comment received. As revised and proposed for further comment, they are the following:

1. An interpretation concerning the use of judgmental and credit scoring systems in the treatment of income derived from alimony, child support, separate maintenance, part-time employment, retirement benefits, or public assistance under the regulation's requirement forbidding exclusion of such income from consideration.

2. An interpretation concerning the selection and disclosure of reasons for adverse action on a credit application.

At the same time the Board proposed to withdraw possible amendments to the business credit provisions of Regulation B that were first published for comment in late 1978.

Changes in Board Staff

The Board of Governors has announced the following official staff actions.

William R. Jones appointed Manager, Operations Review Program, Office of Board Members, effective July 12, 1982. Mr. Jones replaces James Stull, who has joined the Federal Reserve Bank of Dallas. Assigned to the Division of Research and Statistics since coming to the Board in May 1973, Mr. Jones received his Ph.D. from the University of Maryland.

Sidney M. Sussan appointed Assistant Director, Division of Banking Supervision and Regulation, effective May 20, 1982. Mr. Sussan, who has been at the Board since 1971, has a B.S. and an M.B.A. from the University of Maryland and has also attended the Stonier Graduate School of Banking.

System Membership: Admission of State Banks

The following banks were admitted to membership in the Federal Reserve System during the period April 11 through May 10, 1982:

Texas

Grand Prairie .... First State Bank

Wyoming

Glenrock .... Security Bank of Glenrock

Record of Policy Actions of the Federal Open Market Committee

Meeting Held on March 29–30, 1982

1. Domestic Policy Directive

The information reviewed at this meeting suggested that real GNP, which had declined at an annual rate of 4½ percent in the fourth quarter of 1981, fell appreciably further in the first quarter of this year. However, the level of final purchases in real terms was sustained, and the contraction in activity apparently moderated during the quarter. Average prices, as measured by the fixed-weight price index for gross domestic business product, were estimated to have risen much less than the annual rate of 7.5 percent in the preceding quarter.

The index of industrial production rose 1.6 percent in February, after a decline of 2.5 percent in January that was accounted for partly by severe winter weather. Although curtailments in output continued early this year, the rate of decline in industrial production from December to February was notably smaller than in the last four months of 1981.

Like industrial production, nonfarm payroll employment in February recovered some of its January decline. Over the two months the average monthly decline amounted to a little less than 100,000, compared with an average of about 300,000 in the fourth quarter. The unemployment rate in February, at 8.8 percent, was the same as in December.

The nominal value of retail sales, also distorted in January by the unusually severe weather, rebounded in February to about the level in December. Almost all categories of retail sales increased in February after having declined in January. Unit sales of new domestic automobiles rose to an annual rate of 6.2 million in February, buoyed by rebates and other price concessions; unit sales dropped in the first few weeks of March despite the continuation of purchase-incentive programs, but remained above the depressed fourth-quarter rate.

The Department of Commerce survey of business spending plans taken in January and February suggested that current-dollar expenditures for plant and equipment in 1982 would be about 7¼ percent greater than in 1981. The results implied a year-to-year decline of about 1 percent in real terms.

Private housing starts edged up in January and February from their unusually depressed pace in the fourth quarter of 1981, but the annual rate in February remained less than 1 million units for the seventh consecutive month. Sales of new and existing houses fell in January, reflecting the adverse weather conditions in many areas of the country in addition to the high level of mortgage interest rates; sales of existing homes picked up in February, but sales of new homes declined markedly further.

The rise in both producer and consumer prices moderated substantially in the first two months of the year. The producer price index for finished goods declined 0.1 percent in February, after a rise of 0.4 percent in January. Reductions in energy prices and rebates on motor vehicles contributed to the February decline in producer prices and to a deceleration in consumer prices as well. The consumer price index rose only 0.3 percent and 0.2 percent in January and February respectively. The rise in the index of average hourly earnings over the first two months of the year remained at a reduced pace.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies rose about 4 percent further in February and March, partly reflecting a widening of the differential between U.S. and foreign interest rates during much of the intermeeting interval. However, the differential narrowed somewhat toward the end of the period. Monetary authorities of some foreign countries intervened on a substantial scale to resist the depreciation of their currencies. The U.S. foreign trade deficit in January and February was somewhat less on average than in the fourth quarter, reflecting declines in imports of both oil and non-oil products. Exports also declined further from the fourth-quarter rate.

At its meeting on February 1–2, 1982, the Committee had adopted the following ranges for growth of the monetary aggregates over the period from the fourth quarter of 1981 to the fourth quarter of 1982: M1, 2½ to 5½ percent; M2, 6 to 9 percent; and M3, 6½ to 9½ percent. The associated range for bank credit was 6 to 9 percent.

At the February meeting, the Committee recognized that rapid monetary growth over the recent months had placed both M1 and M2 in January above the ranges adopted for growth over the year. Consequently, the Committee had also decided that open market operations in the period until this meeting should be directed toward behavior of reserve aggregates over the balance of the first quarter consistent with bringing growth of M1 and M2 over time into their longer-run target ranges. For the period from January to March, the Committee sought no further growth in M1 and growth in M2 at an annual rate of around 8 percent. It was also agreed that some decline in M1, which would be associated with a faster return to its longer-run range, would be acceptable in the context of reduced pressure in the money market. The intermeeting range for the federal funds rate, which provides a mechanism for initiating consultation of the Committee, was set at 12 to 16 percent.

After having grown rapidly for three months, M1 declined at an annual rate of about 3¾ percent in February and expanded only a little in early March. A substantial contraction in demand deposits accounted for the decline in February, as flows into other checkable deposits continued strong. Growth of M2 slowed to an annual rate of 4¼ percent in February, reflecting a slackening of the expansion in its nontransaction component as well as the decline in M1, but partial data suggested that growth accelerated in March.

Nonborrowed reserves declined substantially in February and then turned up in March; in the statement week ending March 24, such reserves remained somewhat below the average for the month of January. Borrowings from Federal Reserve Banks for purposes of adjusting reserve positions averaged a little less than $1.1 billion in the four statement weeks ending March 24 compared with an average of $1.2 billion in four weeks ending January 27, although such borrowings averaged nearly $1.5 billion in the intervening four weeks.

The federal funds rate, which had been about 14 percent in the days preceding the February meeting, generally fluctuated in a range of 13¾ to 15½ percent during the subsequent intermeeting period. Most other short-term market interest rates declined ½ to 1 percentage point on balance over the intermeeting interval and long-term yields fell about ½ to ¾ percentage point. The prime rate charged by most commercial banks on short-term business loans, which had been raised from

15¾ to 16½ percent on February 2, was unchanged during the remainder of the intermeeting period. Average rates on new commitments for fixed-rate home mortgage loans moved down nearly ½ percentage point to about 17 percent.

Total credit outstanding at U.S. commercial banks, adjusted for shifts of assets to IBFs, expanded at an average annual rate of about 11 percent in January and February, the same as in December. Growth in total loans picked up in February, and expansion in business loans continued sizable in both months. Issuance of commercial paper by nonfinancial institutions was quite strong in February.

Staff projections presented at this meeting suggested that real GNP would begin to recover in the second quarter and would expand moderately over the balance of 1982. The unemployment rate was expected to reach a peak in the second quarter, while inflation, as measured by the fixed-weight price index for gross domestic business product, was projected to slow somewhat further over the year.

Views of Committee members concerning the most probable direction of economic activity and the behavior of prices in the remaining three quarters of 1982 generally differed little from the staff projections, but several members emphasized the unusual uncertainties that could produce a different result. The prospective cut in federal income taxes at midyear and the current expansion in defense orders and outlays, together with a reduction or a reversal of inventory liquidation, were expected to contribute to economic recovery before long; but whether recovery would begin as early as in the second quarter was questioned, in part because a number of sensitive indicators of activity had continued to point to weakness. Concern was also expressed that continuing deterioration in both agriculture and nonagricultural industries and regions might dampen some types of consumer expenditures and overall outlays for plant and equipment. Moreover, there was a general feeling that the recovery could be more restrained than in earlier cycles, partly because financial stringency and high interest rates had prevailed for so long. With respect to inflation, progress recently had been greater than expected, and some further reduction in the underlying trend of costs and prices was thought likely; current price indicators were expected to show particularly small increases for some months.

The Committee considered objectives for monetary growth over the period from March to June in light of several circumstances bearing on the recent and prospective behavior of the monetary aggregates. It appeared that growth of both M1 and M2 from January to March would be close to the rates that the Committee had specified for that period. Consistent with the targets established for the year, however, slower growth than in the first quarter as a whole would be needed in the remaining quarters. The level of M2 in March appeared close to the upper end of its longer-run range.

A staff analysis suggested that the demand for money in the three months through June might be expected to moderate significantly from its growth in the first quarter. Growth of M1 on average in the first quarter had been considerably greater than would have been predicted on the basis of the actual behavior of nominal GNP and interest rates; the income velocity of M1 had declined very sharply after a small decline in the last quarter of 1981. Velocity declines of this magnitude and duration have been rare in the postwar period, and they were particularly unusual in the absence of declines in short-term interest rates.

The great bulk of the first-quarter growth of M1 had occurred in NOW accounts, suggesting that individuals wished to hold increased liquid balances in an environment of considerable uncertainty about the prospects for economic activity and interest rates. That interpretation was supported by renewed growth over recent months in highly liquid savings deposits that had relatively low yields. In the course of the second quarter, the accumulated liquidity balances might be drawn down to some extent, either for spending or for investing in other assets, especially if the economy strengthened and uncertainties were reduced. Thus at some point, relatively slow growth of M1, consistent with a fairly prompt return to its longer-run range, could be associated with a substantial rise in velocity. Should the recently increased preference for liquidity be more enduring, somewhat greater growth in M1 over time might be needed to foster economic recovery.

The task of judging the trend in M1 and of implementing monetary policy in the period immediately ahead would be complicated by problems involved in assessing the pattern of monetary growth during the early part of the second quarter. Calculation of seasonal adjustments for that part of the year is particularly difficult because of large tax payments, differences in the speed of their processing, and uncertainties about the size of tax refunds. The behavior of M1 is also affected by the extent to which funds accumulated in anticipation of tax payments are held in M1 deposits or, for example, in money market mutual funds.

Seasonal factors allow for a large rise in unadjusted M1 in April. However, the computation of the seasonal factors for the month has been complicated by the sharp variation in growth patterns in April for the past two years and by the related difficulties of isolating the impact of such nonrecurring influences as the credit control program in 1980 from possible shifts in the seasonal influences over time. Thus, inherent difficulties in the seasonal adjustment process as well as the usual uncertainties related to large tax payments and refunds raised the possibility that, while aiming at a second-quarter deceleration in monetary growth, allowance would need to be made for some bulge of growth in April.

Given the uncertainties about the near-term economic prospects as well as about the technical and other factors affecting the monetary aggregates, almost all members of the Committee felt that it would be desirable to set a course for the second quarter as a whole designed to permit modest growth of M1, consistent with moving toward the longer-run growth objective over a period of time. Considerable attention was paid to evaluating the significance of recent behavior of NOW accounts. In the Committee's decision, the point was made that the growth of M1 since October could be traced almost entirely to extraordinarily rapid growth in NOW accounts. A number of factors suggested that the growth of NOW accounts, as well as the accompanying growth in savings accounts, reflected a desire of individuals to hold more highly liquid assets, at least temporarily, in the light of uncertainties about economic activity and interest rates. Growth in demand deposits, which are held by businesses as well as by individuals, had been sluggish. Moreover, growth of the larger M2 aggregate, especially since December, appeared generally in line with the Committee's expectations.

Liquid balances accumulated in NOW accounts might be drawn upon in the second quarter, but if they were not, an effort to return M1 to its longer-run range might imply a more restrictive policy than was intended or would be desirable. It was suggested that if individuals evidenced a continuing desire to hold large liquid balances, the Committee would need to consider the implications of such a shift in liquidity preference for its range of growth of M1 over 1982. At the same time, it was noted that growth of M1 over a longer period extending back into 1981 understated the expansion of transaction balances to the extent that the accumulation of shares in money market mutual funds represented such balances. Partly for that reason, some members suggested that a stronger effort to reduce growth of M1 would be desirable to maintain pressure for continuation of the reduction in the rate of inflation.

Considering the pattern of growth in the period ahead and the seasonal uncertainties, most members believed that the behavior of M1 in April should be evaluated partly in light of the behavior of M2. Thus, for example, relatively rapid growth of M1 in April should be more readily accepted if M2 appeared to be growing at a pace consistent with the Committee's expectations for growth over the year. Should M1 growth in April be relatively rapid, offsetting behavior in the ensuing months would be expected. At the same time, sentiment was expressed for prompt efforts to contain an undue bulge in growth of M1 in April, on the grounds that the absence of such efforts would be interpreted as a weakening of the Committee's anti-inflationary stance and could have adverse consequences in long-term bond markets.

At the conclusion of the discussion, the Committee decided to seek behavior of reserve aggregates associated with growth of M1 and M2 from March to June at annual rates of about 3 percent and 8 percent respectively. It was understood that most, if not all, of the expansion in M1 over the period might well occur in April, and within limits, an April bulge in M1 alone should not be strongly resisted. In any event, it was agreed that deviations from those targets should be evaluated in light of the probability that over the period, M2 would be less affected than M1 by deposit shifts related to the mid-April tax date and by changes in the relative importance of NOW accounts as a savings vehicle. Some shortfall in growth of M1, consistent with progress toward the upper part of the range for the year as a whole, would be acceptable in the context of appreciably reduced pressures in the money market and relative strength of other aggregates. The intermeeting range for the federal funds rate, which provides a mechanism for initiating further consultation of the Committee, was set at 12 to 16 percent.

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 declined appreciably further in the first quarter of 1982 but that final purchases were sustained and the contraction in activity moderated during the quarter; prices on the average rose much less rapidly than in the preceding quarter. In January weakness in activity was accentuated by unusually severe weather, and in February the nominal value of retail sales rebounded while industrial production and nonfarm payroll employment recovered part of their January declines. The unemployment rate in February, at 8.8 percent, was unchanged from December. Although housing starts rose further in the first two months of the year, they remained at a depressed level. The rise in both the consumer price index and the producer price index for finished goods moderated substantially, and the advance in the index of average hourly earnings on the average remained at a reduced pace.

The weighted average value of the dollar against major foreign currencies continued to rise strongly in February and March; foreign monetary authorities intervened on a substantial scale to resist the depreciation of their currencies. The U.S. foreign trade deficit in January and February on the average was somewhat less than the fourth-quarter rate.

M1 declined in February, after three months of rapid growth, and then increased moderately in early March. Growth of M2 slowed appreciably in February, owing to a slackening of the expansion in the nontransaction component as well as to the decline in M1. Short-term market interest rates and bond yields on balance have declined since early February, and mortgage interest rates have edged down.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation, promote a resumption of growth in output on a sustainable basis, and contribute to a sustainable pattern of international transactions. At its meeting in early February, the Committee agreed that its objectives would be furthered by growth of M1, M2, and M3 from the fourth quarter of 1981 to the fourth quarter of 1982 within ranges of 2½ to 5½ percent, 6 to 9 percent, and 6½ to 9½ percent respectively. The associated range for bank credit was 6 to 9 percent.

In the short run, the Committee seeks behavior of reserve aggregates consistent with growth of M1 and M2 from March to June at annual rates of about 3 percent and 8 percent respectively. The Committee also noted that deviations from these targets should be evaluated in light of the probability that M2 would be less affected over the period than M1 by deposit shifts related to the tax date and by changes in the relative importance of NOW accounts as a savings vehicle. Some shortfall in growth of M1, consistent with progress toward the upper part of the range for the year as a whole, would be acceptable in the context of appreciably reduced pressures in the money market and relative strength of other aggregates. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting is likely to be associated with a federal funds rate persistently outside a range of 12 to 16 percent.

Votes for this action: Messrs. Volcker, Solomon, Balles, Ford, Gramley, Partee, Rice, Mrs. Teeters, and Mr. Winn. Votes against this action: Messrs. Black and Wallich.

Messrs. Black and Wallich dissented from this action because they favored specification of somewhat lower rates for monetary growth from March to June than those adopted by the Committee, which would be associated with a relatively prompt return of M1 growth to its range for the year. Mr. Black believed that continued growth of M1 above its longer-run range for any extended period would adversely affect economic activity by exacerbating inflationary expectations and weakening markets for longer-term securities; for that reason, he felt that it was particularly important to resist any surge in growth of M1 that might develop in April. In Mr. Wallich's opinion, it would be desirable to restrain the pace of the prospective recovery in economic activity, consistent with some reduction in the unemployment rate, to sustain a degree of pressure for continuation of the reduction in the underlying rate of inflation.

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, 1982, 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 authorization for foreign currency 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, Solomon, Balles, Black, Ford, Gramley, Partee, Rice, Mrs. Teeters, Messrs. Wallich and Winn. Votes against these actions: None.

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 the authorization should remain in effect on a continuing basis, with the understanding that the manager would monitor the lending operation closely and would recommend discontinuing it in the event that it was no longer reasonably necessary to the effective conduct of open market operations.

3. 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, Solomon, Balles, Black, Ford, Gramley, Partee, Rice, Mrs. Teeters, Messrs. Wallich and Winn. Votes against this action: None.

4. Authorization for Domestic Open Market Operations

On April 13–14, 1982, members of the Committee voted to increase from $3 billion to $5 billion the limit on changes between Committee meetings in System Account holdings of U.S. government and federal agency securities specified in paragraph 1(a) of the authorization for domestic open market operations, effective immediately, for the period ending with the close of business on May 18, 1982.

Votes for this action: Messrs. Volcker, Solomon, Balles, Black, Gramley, Martin, Partee, Rice, Mrs. Teeters, Messrs. Wallich, Winn, and Roos. Votes against this action: None. Mr. Roos voted as alternate for Mr. Ford.

This action was taken on recommendation of the Manager for Domestic Operations. The Manager had advised that since the March meeting, large-scale net purchases of securities had been undertaken to counter the effects on member bank reserves of increases in currency in circulation and in Treasury balances at Federal Reserve Banks. The amount of these purchases was approaching $3 billion, leaving no leeway for further purchases over the current intermeeting interval. It appeared likely that sizable additional purchases would be required in the period ahead because of a projected further rise in Treasury balances associated with expansion in tax receipts.

On April 26–27, the Committee voted to approve an additional increase of $1 billion, to $6 billion, in the intermeeting limit on changes in holdings of U.S. government and federal agency securities, after the Manager had advised that the rise in Treasury balances at Federal Reserve Banks apparently would be considerably larger than anticipated earlier.

Votes for this action: Messrs. Volcker, Solomon, Black, Martin, Partee, Rice, Mrs. Teeters, Messrs. Wallich, Winn, Guffey, and Roos. Votes against this action: None. Absent: Mr. Gramley. Messrs. Guffey and Roos voted as alternates for Messrs. Balles and Ford respectively.

Legal Developments

AMENDMENT TO REGULATION D

The Board of Governors has amended Regulation D—Reserve Requirements of Depository Institutions (12 CFR Part 204) to modify the reserve requirements on nonpersonal time deposits. This action was taken in light of the Depository Institution Deregulation Committee's authorization of a new category of ceiling-free time deposit with an original maturity of 3½ years or more which may be offered by depository institutions in negotiable form.

This amendment is effective April 29, 1982. The first reserve maintenance period to which the amendment applies commences May 13, 1982.

Part 204—Reserve Requirements of Depository Institutions

Paragraph (a) of § 204.9 is revised to read as follows:

Section 204.9—Reserve requirement ratios

(a) *Reserve percentages*. The following reserve ratios are prescribed for all depository institutions, Edge and Agreement Corporations and United States branches and agencies of foreign banks:

Category	Reserve Requirement
Net transaction accounts:	
$0 to $26 million	3 pct of amount.
Over $26 million	$780,000 plus 12 pct of amount over $26 million.
Nonpersonal time deposits By original maturity (or notice period):	
Less than 3½ years	3%
3½ yrs or more	0%
Eurocurrency liabilities	3%

* * * * *

AMENDMENTS TO REGULATIONS G, T, AND U

The Board of Governors is amending its criteria for inclusion on the List of OTC Margin Stocks ("Over The Counter List"). These amendments will permit inclusion of securities of certain foreign issuers, eliminate alternative market value criterion and make the price and capital criteria mandatory, reduce the initial listing capital and publicly-held share criteria, and reduce the continued listing price and capital criteria. These changes are the result of recent developments in the securities, particularly the OTC market, and staff experience administering the OTC list.

Regulation G

Effective June 12, 1982, the Board amends Section 207.5 of Regulation G (12 CFR Part 207) by revising paragraphs (d)(1), (4), and (7) through (9), and paragraphs (e)(1), and (4) through (7) to read as follows:

Part 207—Securities Credit By Persons Other Than Banks, Brokers, Or Dealers

Section 207.5—Supplement

* * * * *

(d) ***

(1) The stock is registered under section 12 of the Act (15 U.S.C. 781), is issued by an insurance company subject to section 12(g)(2)(G) (15 U.S.C. 781(g)(2)(G)), is issued by a closed-end investment management company subject to registration pursuant to section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), is an American Depository Receipt of a foreign issuer whose securities are registered under section 12 of the Act, or is a stock of an issuer required to file reports under section 15(d) of the Act (15 U.S.C. 780(d)),

* * * * *

(4) The issuer or a predecessor in interest has been in existence for at least three years,

* * * * *

(7) There are 400,000 or more shares of such stock outstanding in addition to shares held beneficially by officers, directors, or beneficial owners of more than 10 per cent of the stock,

(8) The minimum average bid price of such stock, as determined by the Board, is at least $5 per share, and

(9) The issuer has at least $4 million of capital, surplus, and undivided profits.

* * * * *

(e) ***

(1) The stock continues to be registered under section 12 of the Act (15 U.S.C. 781), or if issued by an insurance company such issuer continues to be subject to section 12(g)(2)(G) (15 U.S.C. 781(g)(2)(G)), or if issued by a closed-end investment management company such issuer continues to be subject to registration pursuant to section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), is an American Depository Receipt of a foreign issuer whose securities are registered under section 12 of the Act, or is a stock of an issuer required to file reports under section 15(d) of the Act (15 U.S.C. 780(d)),

* * * * *

(4) Daily quotations for both bid and asked prices for the stock are continuously available to the general public,

(5) There are 300,000 or more shares of such stock outstanding in addition to shares held beneficially by officers, directors, or beneficial owners of more than 10 percent of the stock,

(6) The minimum average bid price of such stocks, as determined by the Board, is at least $2 per share, and

(7) The issuer has at least $1 million of capital, surplus, and undivided profits.

* * * * *

Regulation T

Effective June 12, 1982, the Board amends Section 220.8 of Regulation T (12 CFR Part 220) by revising paragraphs (h)(1)(4), and (7) through (9), and paragraphs (i)(1), and (4) through (7) to read as follows:

Part 220—Credit By Brokers and Dealers

Section 220.8—Supplement

* * * * *

(h) ***

(1) The stock is registered under section 12 of the Act (15 U.S.C. 781), is issued by an insurance company subject to section 12(g)(2)(G) (15 U.S.C. 781(g)(2)(G)), is issued by a closed-end investment management company subject to registration pursuant to section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), is an American Depository Receipt of a foreign issuer whose securities are registered under section 12 of the Act, or is a stock of an issuer required to file reports under section 15(d) of the Act (15 U.S.C. 780(d)),

* * * * *

(4) The issuer or a predecessor in interest has been in existence for at least three years,

* * * * *

(7) There are 400,000 or more shares of such stock outstanding in addition to shares held beneficially by officers, directors, or beneficial owners of more than 10 percent of the stock,

(8) The minimum average bid price of such stock, as determined by the Board, is at least $5 per share, and

(9) The issuer has at least $4 million of capital, surplus, and undivided profits.

* * * * *

(i) ***

(1) The stock continues to be registered under section 12 of the Act (15 U.S.C. 781), or if issued by an insurance company such issuer continues to be subject to section 12(g)(2)(G) (15 U.S.C. 781(g)(2)(G)), or if issued by a closed-end investment management company such issuer continues to be subject to registration pursuant to section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), is an American Depository Receipt of a foreign issuer whose securities are registered under section 12 of the Act, or is a stock of an issuer required to file reports under section 15(d) of the Act (15 U.S.C. 780(d)),

* * * * *

(4) Daily quotations for both bid and asked prices for the stock are continuously available to the general public,

(5) There are 300,000 or more shares of such stock outstanding in addition to shares held beneficially by officers, directors, or beneficial owners of more than 10 percent of the stock,

(6) The minimum average bid price of such stocks, as determined by the Board, is at least $2 per share, and

(7) The issuer has at least $1 million of capital, surplus, and undivided profits.

* * * * *

Regulation U

Effective June 12, 1982, the Board amends Section 221.4 of Regulation U (12 CFR Part 221) by revising paragraphs (d)(1), (4), and (7) through (9), and paragraphs (e)(1), and (4) through (7) to read as follows:

Part 221—Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks

Section 221.4—Supplement

* * * * *

(d) ***

(1) The stock is registered under section 12 of the Act (15 U.S.C. 781), is issued by an insurance

company subject to section 12(g)(2)(G) (15 U.S.C. 78l(g)(2)(G)), is issued by a closed-end investment management company subject to registration pursuant to section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), is an American Depository Receipt of a foreign issuer whose securities are registered under section 12 of the Act, or is a stock of an issuer required to file reports under section 15(d) of the Act (15 U.S.C. 78o(d)),

* * * * *

(4) The issuer or a predecessor in interest has been in existence for at least three years,

* * * * *

(7) There are 400,000 or more shares of such stock outstanding in addition to shares held beneficially by officers, directors, or beneficial owners of more than 10 percent of the stock,

(8) The minimum average bid price of such stock, as determined by the Board, is at least $5 per share, and

(9) The issuer has at least $4 million of capital, surplus, and undivided profits.

* * * * *

(e) ***

(1) The stock continues to be registered under section 12 of the Act (15 U.S.C. 78l), or if issued by an insurance company such issuer continues to be subject to section 12(g)(2)(G) (15 U.S.C. 78l(g)(2)(G)), or if issued by a closed-end investment management company such issuer continues to be subject to registration pursuant to section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), is an American Depository Receipt of a foreign issuer whose securities are registered under section 12 of the Act, or is a stock of an issuer required to file reports under section 15(d) of the Act (15 U.S.C. 78o(d)),

* * * * *

(4) Daily quotations for both bid and asked prices for the stock are continuously available to the general public,

(5) There are 300,000 or more shares of such stock outstanding in addition to shares held beneficially by officers, directors, or beneficial owners of more than 10 per cent of the stock,

(6) The minimum average bid price of such stock, as determined by the Board, is at least $2 per share, and

(7) The issuer has at least $1 million of capital, surplus, and undivided profits.

* * * * *

Amendment to Regulation H

The Board of Governors has amended Regulation H—Membership of State Banking Institutions in the Federal Reserve System, to conform a citation in the footnote with regulatory changes adopted by the Board.

In 1979, the Board revised its regulations dealing with the foreign operations of member banks (Regulation M, 12 CFR Part 213) and foreign investment by bank holding companies (§ 225.4(f) of Regulation Y, 12 CFR 225.4(f)). These regulations have been combined in a comprehensive regulation entitled "International Banking Operations" and designated as Regulation K (12 CFR Part 211).

Section 208.9(d) continues to cite Regulation M in reference to a definition that presently appears in § 211.2(f) of Regulation K (12 CFR 211.2(f)). Consequently, the Board has amended § 208.9(d) to conform with this regulatory change.

Effective April 28, 1982, the Board of Governors amends Regulation H (12 CFR Part 208) as follows:

Part 208—Membership of State Banking Institutions in the Federal Reserve System

Section 208.9—Establishment or maintenance of branches

* * * * *

(d) Foreign branches. With prior Board approval, a member state bank having capital and surplus of $1,000,000 or more may establish branches in "foreign countries," as defined in § 211.2(f) of Regulation K (12 CFR 211.2(f)). If a member state bank has established a branch in such a country, it may, unless otherwise advised by the Board, establish other branches therein after 30 days' notice to the Board with respect to each such branch.

* * * * *

Amendment to Regulation T

On November 10, 1981, the Board of Governors published for comment a proposal to amend § 220.8(h) Regulation T—Credit by Brokers and Dealers, to permit brokers and dealers to borrow and lend securities against letters of credit issued by banks insured by the Federal Deposit Insurance Corporation and against U.S. government securities (46 FR 55533). The existing rule requires a deposit of cash.

The Board has adopted a modified version of its November 10, 1981 proposal.

Effective May 17, 1982, the board revises section 220.6(h) of Regulation T (12 CFR Part 220) by revising it to read as follows:

Part 220—Credit By Brokers and Dealers

Section 220.6—Certain technical details

* * * * *

"(h) *Borrowing and lending securities.* Without regard to the other provisions of this part, a creditor may borrow or lend securities for the purpose of making delivery of the securities in the case of short sales, failure to receive securities required to be delivered, or other similar situations. Each borrowing shall be secured by a deposit of one or more of the following: cash, securities issued or guaranteed by the United States government or its agencies, negotiable bank certificates of deposit and bankers acceptances issued by banking institutions in the United States and payable in the United States, or irrevocable letters of credit issued by a bank insured by the Federal Deposit Insurance Corporation or a foreign bank that has filed an agreement with the Board on Form F.R. T-2. Such deposit made with the lender of the securities shall have at all times a value at least equal to 100 per cent of the market value of the securities borrowed, computed as of the close of the preceding business day."

* * * * *

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

Orders Issued Under Section 3 of Bank Holding Company Act

Sun Banks of Florida, Inc., Orlando, Florida

Order Approving Merger of Bank Holding Companies and Acquisition of C. B. I. Insurance Agency, Inc. and Century Computer Services, Inc.

Sun Banks of Florida, Inc., Orlando, Florida ("Sun"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(5) of the act (12 U.S.C. § 1842(a)(5)) to merge with Century Banks, Inc., Fort Lauderdale, Florida ("Century"), also a bank holding company, under the charter and name of Sun.

Sun has also applied for the Board's approval under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire C. B. I. Insurance Agency, Inc., Fort Lauderdale, Florida ("C. B. I. Insurance"), and thereby engage in the activity of acting as agent or broker for the sale of credit life and accident and health insurance directly related to extensions of credit by Century's subsidiaries. Sun also proposes to acquire Century Computer Services, Inc., Fort Lauderdale, Florida ("Century Computer Services"), and thereby engage in the activity of providing bookkeeping or data processing services for the internal operations of Century and its subsidiaries and storing and processing other banking, financial, or related economic data, such as performing payroll, accounts receivable or payable, or billing services. These activities have been determined by the Board to be closely related to banking (12 CFR §§ 225.4(a)(8) and (9)).

Notice of these applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the act (46 *Federal Register* 47012 (1981)). The time for filing comments and views has expired, and the Board has considered the applications and all comments received, including those of the Antitrust Division of the United States Department of Justice, and the Association of Data Processing Service Organizations, Arlington, Virginia ("ADAPSO"), in light of the factors set forth in section 3(c) of the act (12 U.S.C. § 1842(c)), and the considerations specified in section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)).

Sun, the third largest commercial banking organization in Florida, controls 15 subsidiary banks with aggregate deposits of $2.9 billion, which represent 7.3 percent of total deposits in commercial banks in the state.[1] Century, the eleventh largest commercial banking organization in Florida, controls 11 subsidiary banks with aggregate deposits of approximately $917 million, which represent 2.3 percent of total deposits in commercial banks in the state. Upon consummation of the proposal and all planned divestitures, Sun would remain the third largest banking organization in Florida, and its share of total deposits in commercial banks in the state would increase to 8.8 percent.

In analyzing the effects on competition presented by a particular proposal, the Board begins by determining the relevant product and geographic market involved. As Sun has noted in its application, the business of commercial banking is the relevant line of commerce for the purpose of assessing the effects of a proposed merger or acquisition involving commercial banking organizations.[2]

The delineation of the relevant geographic market or markets must correspond to commercial banking reality and must be economically significant.[3] Applying that principle to this case, the Board concludes that

1. Statewide banking data are as of September 30, 1981.
2. *United States* v. *Philadelphia National Bank*, 374 U.S. 321, 356 (1963).
3. See *Brown Shoe Co.* v. *United States*, 370 U.S. 294, 336–37 (1962).

Sun's proposed merger with Century should be analyzed in terms of competitive effects in the individually delineated local banking markets where the various banks involved are either existing or probable future competitors. The Supreme Court has stated in cases involving mergers between local banks operating in local markets, that the relevant geographic market encompasses the area in which the banks involved operate and to which their customers can practicably turn for alternatives.[4]

This proposal, however, presents issues regarding possible anticompetitive effects associated with combinations of competing bank holding company systems that operate and market banking services and products in broadly distributed geographic markets throughout the state, including most of the significant economic areas within the state.[5] Neither the courts nor the Board have addressed the proper definition of the relevant geographic market in such a case. The Board is reviewing the relevance and suitability of utilizing a statewide concept, in addition to traditional market definitions based on the locations of the banks involved, in its evaluation of mergers of competing statewide banking organizations. The Supreme Court has recognized the existence of more than one relevant geographic market "in cases in which the acquired firm markets its products or services on a local, regional, and national basis."[6]

After carefully considering the facts of this case, the Board concludes that the record does not show that consummation of this proposal would result in a significant increase in concentration of commercial banking resources in the state or is otherwise likely to produce any substantial anticompetitive effects in the state.

The seven localized banking markets in which banking subsidiaries of both Sun and Century operate offices are the Gainesville, Orlando, South Brevard County, Eastern Palm Beach County, Fort Myers, Miami-Fort Lauderdale, and Pinellas County banking markets.

4. See *United States v. Philadelphia National Bank*, 374 U.S. at 359.

5. For example, most of Florida's major banking markets are served by subsidiaries of Sun and Century. Sun's 15 banking subsidiaries operate in 19 Florida banking markets, which contain approximately 76 percent of the state's population. Banking subsidiaries of Century operate in seven of these 19 markets, and also in two Florida markets not currently served by Sun. Century has pursued an active expansion program and its plans for expansion in many Florida markets suggest a capacity to provide a growing competitive force in the state. Sun's 113 staffed offices constitute the second largest office network in the state; and Sun operates the state's largest on-line automated teller machine ("ATM") system, consisting of over 100 machines. Century currently offers ATM services through certain of its subsidiaries, and has stated its plan to offer ATMs in each of the markets served by its subsidiaries during 1982.

6. *United States v. Marine Bancorporation*, 418 U.S. 602, 621 (1974).

Gainesville Banking Market. In the Gainesville banking market,[7] Sun's banking subsidiary, Sun Bank of Gainesville, Gainesville, Florida, is the second largest commercial banking organization and holds $49.9 million in deposits, which represent 14.7 percent of deposits in commercial banks in the market.[8] Century's banking subsidiary in this market, Century Bank of Gainesville, Gainesville, Florida ("Gainesville Bank"), is the seventh largest commercial banking organization and holds $18.7 million in deposits, which represent 5.5 percent of deposits in commercial banks in the market. Upon consummation of the proposed merger, absent any planned divestiture, the four-firm concentration ratio in the Gainesville market would increase from approximately 64.1 percent to approximately 69.6 percent. Sun would remain the second largest banking organization in the market and would control about 20.2 percent of the total deposits in commercial banks in the market.

Orlando Banking Market. In the Orlando banking market,[9] Sun's banking subsidiary, Sun Bank, N.A., Orlando, Florida, is the largest commercial banking organization and holds $748.1 million in deposits, which represent 37.7 percent of deposits in commercial banks in the market. Century's banking subsidiary in this market, Century Bank of Orange County, Apopka, Florida ("Orange County Bank"), holds $52 million in deposits, which represent 2.3 percent of deposits in commercial banks in the market. Upon consummation of the proposed merger, absent any planned divestiture, the market's four-firm concentration ratio would increase from approximately 69.9 percent to approximately 72.2 percent. Sun would remain the largest banking organization in the market and would control about 40 percent of the total deposits in commercial banks in the market.

South Brevard County Banking Market. In the South Brevard County banking market,[10] Sun's banking subsidiary, Sun First National Bank of Brevard County, Melbourne, Florida, is the largest commercial banking organization and holds $71.8 million in deposits, which represent 23.5 percent of deposits in commercial banks in the market. Century's banking subsidiary in this market, Century National Bank of Brevard, Melbourne, Florida ("Brevard Bank"), is the sixth largest commercial banking organization in the market and holds $21 million in deposits, which represent 6.9 percent of deposits in commercial banks

7. The Gainesville banking market is approximated by Alachua County, Florida.

8. Banking data relating to the seven localized banking markets are as of June 30, 1980.

9. The Orlando banking market is approximated by Orange County, Florida, and the southern portion of Seminole County, Florida.

10. The South Brevard County banking market is approximated by that part of Brevard County, Florida, south of the town of Bonaventure, Florida.

in the market. As a result of the proposed merger, absent any planned divestiture, the market's four-firm concentration ratio would increase from approximately 78.0 percent to approximately 84.9 percent. Sun would remain the largest banking organization in the market and would control about 30.4 percent of the total deposits in commercial banks in the market.

In the Board's view, the effect of the merger of the banking subsidiaries of Sun and Century in the Gainesville, Orlando and South Brevard County banking markets may be substantially to lessen existing competition, were Sun to retain Century's banking subsidiary in any of these markets after consummation of this proposal. However, Sun has contracted to cause the transfer of Gainesville Bank to Flagship Banks, Inc., Miami, Florida, and Brevard Bank to First Bankers Corporation of Florida, Pompano Beach, Florida. Both of these proposed acquisitions have received the Federal Reserve's prior approval.[11] Sun has committed that both of these acquisitions will be consummated on or before the date of consummation of the proposed merger of Sun and Century.

The proposed divestiture of Gainesville Bank and Brevard Bank conform to the Board's divestiture policy as stated in its Order approving the acquisition by Barnett Banks of Florida, Inc., Jacksonville, Florida, of First Marine Banks, Inc., Riviera Beach, Florida.[12] The Board concludes that, in the circumstances of this case, the proposed sales of Gainesville Bank and Brevard Bank, which will be consummated on or before consummation of Sun's proposed merger with Century, will eliminate the substantial adverse effects on existing competition that Sun's merger with Century would otherwise produce in the Gainesville and South Brevard County banking markets.

Sun has contracted to cause the transfer of Orange County Bank to Barnett Banks of Florida, Inc., Jacksonville, Florida ("Barnett"). Sun has also committed to cause the divestiture of Orange County Bank on a date no later than the date of the consummation of the proposed merger of Sun and Century. Barnett has applied to the Comptroller of the Currency for prior approval to acquire Orange County Bank. If Barnett does not receive regulatory approval within a sufficient time to allow its acquisition of Orange County Bank on or before the date of Sun's proposed merger with Century, Sun has committed that Orange County Bank would be transferred to independent trustees.[13]

In view of the fact that Sun's application was filed with the Board well before the Board's announcement of its divestiture policy and considering the proposed trust arrangement for the Orange County Bank, the Board concludes that the proposed sale of Orange County Bank will eliminate the substantial adverse effects on existing competition that Sun's merger with Century would otherwise produce in the Orlando banking market.

Eastern Palm Beach County Banking Market. In the Eastern Palm Beach County banking market,[14] Sun's banking subsidiary, Sun First National Bank of Palm Beach County, Delray Beach, Florida, is the seventh largest commercial banking organization and holds $142.4 million in deposits, which represent 5.9 percent of deposits in commercial banks in the market. Century's banking subsidiary in this market, Century National Bank of Palm Beach County, West Palm Beach, Florida, is one of the smallest of 27 banking organizations in the market and holds $31 million in deposits, which represent 1.1 percent of deposits in commercial banks in the market. The market's four-firm concentration ratio is about 51.6 percent, and would not change as a result of this proposal. Upon consummation of the proposal, Sun would become the fifth largest banking organization in the market, but its share of total deposits in commercial banks in the market would only increase to slightly over 6.9 percent.

Fort Myers Banking Market. In the Fort Myers Banking market,[15] Sun's banking subsidiary, Sun Bank/Southwest, Cape Coral, Florida ("Sun's Fort Myers Bank"), is the second largest commercial banking organization and holds $172.7 million in deposits, which represent 15.3 percent of deposits in commercial banks in the market. Century's banking subsidiary in this market, Century Bank of Lee County, Lehigh Acres, Florida ("Century's Fort Myers Bank"), is the ninth largest commercial banking organization in the market and holds $37 million in deposits, which represent 3.3 percent of deposits in commercial banks in the market. The market's current four-firm concentration ratio is about 72.8 percent, and upon consummation of this proposal would increase to approximately 76.1 percent. The Board notes that the market's four-firm

11. 67 Federal Reserve Bulletin 921 (1981) (Brevard Bank); 68 Federal Reserve Bulletin 73 (1982) (Gainesville Bank).

12. 68 Federal Reserve Bulletin 190 (1982). See also *InterFirst Corporation*, 68 Federal Reserve Bulletin 243 (1982).

13. The trust is for a period beginning no later than the date of the consummation of the Sun and Century merger and ending no later than 31 days after such required regulatory approval is obtained. If approval is not obtained within six months, the trustees are directed to sell the shares of Orange County Bank. Sun has represented that the co-trustees of this trust will be Barnett, and Trust Company of Georgia, Inc., Atlanta, Georgia.

14. The Eastern Palm Beach County banking market is approximated by Palm Beach County, Florida, excluding the area surrounding the cities of Belle Glade and Pahokee, Florida.

15. The Fort Myers banking market is approximated by Lee County, Florida.

concentration ratio has fallen from 84 percent in 1970 to approximately 73 percent in 1980. Consummation of the proposal would only marginally increase Sun's deposit holdings and market share of deposits, and would leave its market rank unchanged.

In the Board's view, the anticompetitive effects associated with the proposal in the Fort Myers market are mitigated by the particular geographic characteristics of the market, by the locations of Sun's Fort Myers Bank and Century's Fort Myers Bank within the market, and by the large number of commercial banking organizations already represented in the market. For example, Century's Fort Myers Bank is located on the eastern fringe of the market and is substantially surrounded by rural and largely unsettled areas, which may reduce the extent to which it provides active banking competition to other areas of the market.[16] The Board also notes that there are no state or federal barriers to entry into or expansion within the Fort Myers market.[17]

Miami-Fort Lauderdale Banking Market. Sun maintains two banking subsidiaries in the Miami-Fort Lauderdale banking market:[18] Sun Bank of Miami, Miami, Florida, and Sun Bank/Broward, N.A., Fort Lauderdale, Florida. Together, these subsidiaries constitute the sixth largest commercial banking organization in the market and hold $435.3 million in deposits, which represent 3.8 percent of deposits in commercial banks in the market. Century's banking subsidiary in the market, Century National Bank of Broward, Fort Lauderdale, Florida, is the eighth largest commercial banking organization and holds $375 million in deposits, which represent 3.2 percent of deposits in commercial banks in the market. Consummation of this proposal would increase Sun's deposit holdings in the market to about $810.3 million, and Sun would become the third largest banking organization in the market. However, the Miami-Fort Lauderdale banking market is relatively unconcentrated. The market's current four-firm concentration ratio is approximately 41.2 percent and, upon consummation of the proposal, the four-firm ratio would increase to approximately 43 percent.

Pinellas County Banking Market. In the Pinellas County banking market,[19] Sun's banking subsidiary, Sun Bank/Suncoast, St. Petersburg, Florida, is the third largest commercial banking organization and holds $239 million in deposits, which represent 7.7 percent of deposits in commercial banks in the market.[20] Century's banking subsidiary in this market, Century First National Bank of Pinellas County, St. Petersburg, Florida ("Pinellas County Bank"), is the sixth largest commercial banking organization and holds $204.5 million in deposits, which represent 6.6 percent of deposits in commercial banks in the market.

Absent any planned divestiture, consummation of this proposal would increase Sun's deposit holdings in the market to about $443.5 million, and cause Sun to become the largest commercial banking organization in the market, with approximately 14.4 percent of deposits in commercial banks in the market. However, the Pinellas County banking market is relatively unconcentrated, with a four-firm concentration ratio of 33.1 percent, and many of the largest Florida bank holding companies compete in this market. Upon consummation of this proposal, the concentration ratio would increase to 39.7 percent.

On the basis of the above facts and other facts of record, the Board concludes that the effects of consummation of the proposal on existing competition in the Eastern Palm Beach County, Fort Myers, Miami-Fort Lauderdale, and Pinellas County banking markets would not be substantially adverse.

Sun has contracted to cause the transfer of Pinellas County Bank to Royal Trust Bank Corp., Miami, Florida ("Royal Trust"), to eliminate whatever anticompetitive effects this merger might otherwise produce in the Pinellas County market. Sun has committed to cause the divestiture of Pinellas County Bank on a date no later than the date of the consummation of the proposed merger of Sun and Century.[21]

With regard to probable future competition, Century is represented in two Florida banking markets, Pensa-

16. In addition, the Fort Myers market is divided from roughly southwest to northeast by the Caloosahatchee River. Sun's Fort Myers Bank is located in Coral Gables, Florida, a community southwest of Fort Myers on the west bank of the river. Century's Fort Myers Bank is located in Lehigh Acres, Florida, a community to the east of the river approximately 25 miles from the center of Cape Coral. Thirteen commercial banking organizations are represented in the market. These organizations together maintain 44 offices, and eight of the major organizations in the market are subsidiaries of large Florida bank holding companies.

17. Cf. *Hartford National Corporation*, 68 FEDERAL RESERVE BULLETIN 242 (1982) (state law prohibited branching into subject market).

18. The Miami-Fort Lauderdale banking market is approximated by Dade and Broward Counties, Florida.

19. The Pinellas County banking market is approximated by Pinellas County, Florida.

20. The Board notes that the Pinellas County market contains 11 savings and loan associations that hold $4.4 billion in deposits compared with $3.1 billion in deposits held by the 36 commercial banks in the market.

21. Royal Trust has applied to the Federal Reserve System for prior approval to acquire Pinellas County Bank. If Royal Trust does not receive regulatory approval within a sufficient time to allow its acquisition of Pinellas County Bank on or before the date of Sun's proposed merger with Century, Sun has committed to transfer Pinellas County Bank under terms and conditions similar to those regarding the divestiture of Orange County Bank. (See note 13, supra.)

cola and Putnam County,[22] in which Sun is not currently represented. The Pensacola banking market is not highly concentrated, with a three-firm concentration ratio of 42.2 percent. Century's subsidiary in the Putnam County Banking market, Century Bank of Palatka, Palatka, Florida, is the third largest of three commercial banking organizations and holds deposits of $19.6 million, representing 17.7 percent of deposits in commercial banks in the market. There appear to be numerous probable future entrants into the Putnam County banking market, and in any event, the market does not appear attractive for de novo entry.

Sun is represented in twelve Florida banking markets in which Century is not represented. Eight of these markets are not highly concentrated. The remaining four markets do not appear attractive for foothold or de novo entry and the Board cannot conclude, on the basis of this record, that Century is reasonably likely to enter any of these four markets by alternative means. Accordingly, on the basis of the above and other facts of record, the Board concludes that consummation of the proposal would result in no significantly adverse effects upon probable future competition in these markets.

The financial and managerial resources of Sun, Century, and their subsidiaries are regarded as generally satisfactory, and their future prospects appear favorable. Accordingly, banking factors are consistent with approval of the proposal. Consummation of this proposal may enable the combined organization to be more successful in attracting the deposits and credit business of large commercial enterprises engaged in internationally related activities. In addition, Sun has stated that the proposed merger would enable Sun to provide significantly improved trust services to customers of subsidiaries of Sun and Century. Sun has also stated that consummation of the merger will allow Sun to offer various corporate cash management services to an extent not currently provided by either Sun or Century. Based upon all facts of record, including the competitive aspects of Applicant's proposal, the Board finds that convenience and needs considerations are consistent with approval.

With respect to the applications by Sun submitted pursuant to section 4(c)(8) of the act, C. B. I. Insurance is currently engaged in the activity of acting as agent or broker for the sale of credit life and accident and health insurance directly related to extensions of credit by Century's banking and nonbanking subsidiaries. Century Computer Services is currently engaged in the activity of providing bookkeeping or data processing services for the internal operations of Century and its subsidiaries, and storing and processing other banking, financial, or related economic data, such as performing payroll, accounts receivable or payable, or billing services. The Board notes that it was previously determined that the balance of public interest factors prescribed by section 4(c)(8) of the act favored approval of Century's earlier applications to engage in each of these activities through C. B. I. Insurance and Century Computer Services.[23] Nothing in the record of these applications suggests that Sun's acquisition of C. B. I. Insurance or Century Computer Services would alter that balance. Additionally, there is no substantial evidence in the record that acquisition of either C. B. I. Insurance or Century Computer Services would result in undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices, or other adverse effects on the public interest.[24] Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the act favors approval of the applications filed under that section.

Based on the foregoing and other considerations reflected in the record, the Board has determined that the applications under sections 3(a)(5) and 4(c)(8) are approved.[25] The merger of Sun and Century 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 the Federal Reserve Bank of Atlanta, under delegated authority. Acquisition of the nonbank subsidiaries under section 4(c)(8) 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

22. The Pensacola banking market is approximated by Santa Rosa and Escambia Counties, Florida, and the Putnam County banking market is approximated by Putnam County, Florida.

23. The Federal Reserve Bank of Atlanta, pursuant to delegated authority, approved Century's applications to acquire the predecessor to Century Computer Services on May 1, 1974, and C. B. I. Insurance on March 18, 1979.

24. The Board notes that Sun also owns subsidiaries that engage in activities similar to those engaged in by C. B. I. Insurance and Century Computer Services. However, Century's nonbank subsidiaries, with the exception of the Jacksonville office of Century Computer Services, serve only Century's banking subsidiaries. With regard to the activities of Century Computer Services, the Board notes that competitors engaging in these activities are not confined to the Jacksonville market and that the market share of Century Computer Services in that market is small.

25. The Board notes that this disposition is consistent with the recommendation of the Antitrust Division of the United States Department of Justice, which concluded that the proposed merger would not have a significantly adverse effect on competition, provided that the divestitures of Orlando Bank, Brevard Bank, and Gainesville Bank are effected with competitively suitable purchasers concurrently with consummation of the merger.

Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective May 6, 1982.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, and Rice. Voting against this action: Governor Teeters. Absent and not voting: Governor Gramley. Governor Wallich abstained from consideration of the applications to acquire C. B. I. Insurance and Century Computer Services.

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

Concurring Statement of Governor Rice

I am voting to approve this application as submitted because I do not regard the facts of this case, in light of the current competitive structure of banking in Florida and the size and market shares of the organizations involved, as presenting sufficiently substantial anticompetitive effects to warrant denial. However, I share some of the concerns expressed in the Dissenting Statement of Governor Teeters with respect to statewide concentration of banking resources. Furthermore, I wish to emphasize my view that applications involving combinations of bank holding company systems that operate and market their services on a statewide basis present significant issues regarding possible anticompetitive effects in the state as a whole as well as localized markets. I believe the Board should carefully examine these issues in all cases in which they are presented, and that the Board should consider developing a policy to address these concerns.

May 6, 1982

Dissenting Statement of Governor Teeters

I believe that consummation of Sun's acquisition and divestiture plan would tend to substantially lessen competition in the Fort Myers banking market and the State of Florida as a whole.

In the Fort Myers market, Sun is the second largest commercial banking organization and holds about 15.3 percent of the market's deposits, and Century is the ninth largest commercial banking organization and holds about 3.3 percent of the market's deposits. Century's bank in this market is a viable competitor that will be eliminated upon consummation of this proposal. In addition, upon consummation of this proposal, the market's four-firm concentration ratio would increase to 76.1 percent from 72.8 percent. A combination of competitors holding these market shares in a market with this level of concentration would exceed the current horizontal merger guidelines of the United States Department of Justice, which the Board has stated it would consider in its own analysis of existing competition. These factors indicate that a substantial amount of competition may be eliminated by consummation of this proposal.

With respect to competition in Florida as a whole, I believe that consummation of the proposal would increase statewide concentration and substantially lessen statewide competition. Century is a large, able, and aggressive bank holding company that constitutes a significant competitive force in the state. The record indicates that Century operates eleven banking subsidiaries in nine banking markets throughout Florida, most of which rank among the most economically important in the state. Century's plans for expansion in many Florida markets demonstrate a capacity to provide a growing competitive force. Century has obtained approval to open additional branches in five broadly dispersed markets, has filed an application in a sixth market, and has stated its intention to file additional applications in five of Florida's fast growing markets. Consummation of this proposal eliminates Century as a competitive force in Florida and is likely to substantially lessen competition in Florida. I believe that if the Board were to regularly approve applications such as this, the ultimate effect would be the elimination of all but a few large statewide banking competitors.

In my view, the competitive effects of this proposal are not outweighed by considerations relating to the convenience and needs of the community to be served and accordingly, I would deny this application.

May 6, 1982

Orders Issued Under Section 4 of Bank Holding Company Act

BankEast Corporation, Manchester, New Hampshire

Order Conditionally Approving Acquisition of Guaranty Savings Bank

BankEast Corporation, Manchester, New Hampshire, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)) to acquire Portsmouth Trust Company, Portsmouth, New Hampshire ("Portsmouth"), an organization engaged in the activities of a guaranty savings bank in New

Hampshire.[1] The Board has by order approved the acquisition of New Hampshire guaranty savings banks by New Hampshire bank holding companies, determining that the operation of such an institution was closely related to banking in New Hampshire.[2] However, the operation of a guaranty savings bank has not been specified by the Board in section 225.4(a) of Regulation Y as permissible for bank holding companies.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been duly published. 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 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)).

BankEast (consolidated deposits of $360.5 million) operates four commercial banks, two guaranty savings banks, and a mortgage company.[3] In terms of time and savings deposits held by commercial banks and thrift institutions in New Hampshire, BankEast ranks third with total time and savings deposits of $315.2 million and a 5.3 percent statewide share.[4] Portsmouth (deposits of $51.4 million) is a guaranty savings bank and ranks 31st, with $52.0 million in time and savings deposits and a 0.9 percent statewide share. Thus, affiliation would increase BankEast's statewide share of time and savings deposits from 5.3 to 6.2 percent and BankEast would remain third largest in the state. BankEast operates one commercial bank, First National Bank of Rochester with deposits of $19.2 million, and one guaranty savings bank, Rochester Savings Bank and Trust Company with deposits of $127.5 million, in the Portsmouth–Dover–Rochester banking market.[5] In terms of Individuals, Partnerships and Corporations (IPC) time and savings deposits (held by all market depository institutions), BankEast ranks as the second largest with an 11.1 percent market share. Portsmouth operates two offices in the Portsmouth–Dover–Rochester banking market where it ranks as sixth largest with a 5.0 percent market share. Thus, consummation of the proposed transaction would make BankEast the largest depository organization in the relevant market with 16.1 percent of IPC time and savings deposits in the market.

The Board has previously determined the operation of a New Hampshire guaranty savings bank by a New Hampshire bank holding company to be so closely related to banking as to be a proper incident thereto. In its 1975 approval of an application by Profile Bankshares, Inc., (later changed to Heritage Banks Inc., and acquired by BankEast in March 1982) to acquire a guaranty savings bank, the Board found that, in view of the similarity of services of savings banks and commercial banks,[6] the unique structural and competitive situation in New Hampshire,[7] and other relevant factors in that case, the proposed activity was so closely related to banking in New Hampshire as to be a proper incident thereto.[8] In 1980, the Board reaffirmed this determination, although the Board noted that since 1975 some modest changes in the structural and competitive circumstances of New Hampshire had occurred.[9] Finally, in January 1982, the Board again confirmed this determination.[10] Because no evidence has been presented to show that banking conditions have substantially changed in New Hampshire since the Board's consideration of this issue earlier this year, and because BankEast must limit Portsmouth's deposit-taking or commercial lending activities to remain under the nonbanking provisions of the Bank

1. A guaranty savings bank is essentially the same as a mutual savings bank except that the former is a stock institution. That is, the ownership of the equity interest in a guaranty savings bank is vested in the holders of the capital stock or special deposits. Under current law, guaranty savings banks may engage not only in typical savings bank activities such as accepting time and savings deposits, acting as fiduciary, and dealing in real estate mortgage financing, but also in typical commercial bank activities including accepting demand deposits and commercial lending activities that exceed those permissible for thirfts under federal statutes. Although BankEast does not intend to implement Portsmouth's demand deposit powers in the near future, Portsmouth does offer NOW accounts and has notified the state supervisor of its intention to engage in commercial lending as permitted under state law. The subject application has been accepted and processed under section 4 of the act and is approved only on the condition that Portsmouth limit its commercial lending activity to that currently permissible to thrift institutions under federal statute law.

2. *BankEast Corporation*, 68 Federal Reserve Bulletin 116 (1982); *First Financial Group*, 66 Federal Reserve Bulletin 594 (1980); *Heritage Banks, Inc.*, 66 Federal Reserve Bulletin 590 (1980); *Profile Bankshares, Inc.*, 61 Federal Reserve Bulletin 901 (1975).

3. All financial data are as of June 30, 1981, and include acquisitions as of March 1, 1982.

4. In view of the fact that commercial banks are authorized to offer products and services offered by thrifts and do in fact compete to an extent for the market's time and savings deposits (commercial banks hold 24.4 percent of all IPC time and savings deposits in the market), the competitive analysis in this case has been made using market percentages of IPC time and savings deposits. This analysis reflects a product market including all thrift institutions and further takes into account the competitive impact of commercial banks on thrifts.

5. The Portsmouth–Dover–Rochester banking market is approximated by the Portsmouth–Dover–Rochester SMSA, plus the towns of Nottingham, Strafford, New Durham, Brookfield, Middleton, Milton, and Wakefield, all in New Hampshire, and Lebanon, Maine.

6. The Board noted that each of the main customer services offered by guaranty savings banks (accepting time and savings deposits, acting as a fiduciary and dealing in real estate mortgage financing) are generally offered by commercial banks.

7. The Board noted that guaranty savings banks are unique to New Hampshire and, of the six guaranty savings banks operating in that state, three were affiliated with commercial banks.

8. *Profile Bankshares, Inc.*, 61 Federal Reserve Bulletin 901 (1975). In contrast, in the absence of such an unusual situation, the Board has regarded the operation of a thrift institution as a proper incident to banking only where compelling public benefits, unachievable by other means, are present.

9. *First Financial Group*, 66 Federal Reserve Bulletin 594 (1980); *Heritage Banks Inc.*, 66 Federal Reserve Bulletin 590 (1980).

10. *BankEast Corporation*, 68 Federal Reserve Bulletin 116 (1982).

Holding Company Act, the Board confirms its finding that the operation of a guaranty savings bank may be so closely related to banking in New Hampshire as to be a proper incident thereto. Notwithstanding this general finding, the Board must also consider the particular facts of this case to determine whether the proposed acquisition is a proper incident to banking, that is, whether it "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effect such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices."

Consummation of the proposed transaction would not appear to have any significantly adverse effects upon the concentration of banking resources in New Hampshire. However, BankEast and Portsmouth are competitors in the Portsmouth–Dover–Rochester banking market. The acquisition by BankEast, with an 11.1 percent market share, of Portsmouth, with a 5.0 percent market share, would give BankEast 16.1 percent of the market's IPC time and savings deposits, and would increase its rank in the market from second to first. The anticompetitive effects evidenced by market share data have been found by the Board to be substantially mitigated by the following factors: 1) the Portsmouth–Dover–Rochester market is not highly concentrated and has shown deconcentration over time; 2) existing offices of BankEast and Portsmouth are located at the extreme ends of the newly defined market, approximately 20 road miles through a tollway; and 3) after affiliation, 14 commercial banking organizations (including the three largest in New Hampshire and two of the three largest in Maine), 11 savings banks and savings and loan associations, and 14 credit unions would remain in the market. Based upon the above and other facts of record, the Board concludes that consummation of this proposal would not result in any serious decrease in competition, or undue concentration of resources.

In considering previous applications under the act involving the affiliation of commercial banks and guaranty savings banks in New Hampshire in 1980 and 1982, the Board noted the potential for serious conflicts of interests, unfair competition, and circumvention of the Regulation Q interest rate differential, which might arise from the operation of these two types of institutions at nearby locations or in close mutual support of each other ("tandem operations").[11] In order to limit these potentially adverse effects, the Board approved those previous cases, but imposed certain conditions barring the two types of institutions from conducting tandem operations. The Regulation Q interest rate differential on account categories in existence in December 1975 remains in effect until the Depository Institutions Deregulation Committee eliminates rate ceilings, or until March 31, 1986. In addition, it does not appear that relevant considerations have changed since January 1982 when the Board last reiterated its policy against tandem operations of thrifts and commercial banks. Accordingly, the Board believes that the following conditions must be imposed in connection with its approval of this application: 1) BankEast will not establish any commercial bank facility within the service area of any office of Portsmouth without Board consent; and 2) BankEast will not shift assets or liabilities from Portsmouth to any other subsidiary, or from any other subsidiary to Portsmouth.[12]

Except as discussed above, the Board has found that no other adverse effects are likely to result from consummation of this proposal. In addition, it appears that the proposed affiliation would produce several public benefits including providing Portsmouth with better access to capital, enhancing Portsmouth's ability to compete for retail loans and deposits, introducing secondary mortgage capabilities to Portsmouth, establishing ATMs for Portsmouth, and offering counseling services to municipalities in the market.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of public interest factors the Board is required to consider under section 4(c)(8) is favorable provided that BankEast and Portsmouth abide by the conditions set forth herein. Accordingly, the application is hereby conditionally approved, subject to the limitations described above relating to the commercial lending activities of Portsmouth, and restrictions relating to tandem operations between BankEast's commercial and guaranty savings bank subsidiaries. This determination is further 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

11. *BankEast Corporation*, 68 FEDERAL RESERVE BULLETIN 116 (1982); *First Financial Group*, 66 FEDERAL RESERVE BULLETIN 594 (1980).

12. These conditions remain effective so long as these institutions, or their successors remain affiliated. However, BankEast may apply for relief from these conditions when the Regulation Q interest rate differential has been eliminated, or if the Board changes its policy regarding tandem operations.

such period is extended for good cause by the Board or by the Federal Reserve Bank of Boston.

By Order of the Board of Governors effective May 10, 1982.

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

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

Central Pacific Corporation, Bakersfield, California

Order Concerning Application Involving Impermissible Activities

Central Pacific Corporation, Bakersfield, California, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire the outstanding guarantee stock of Kern Savings and Loan Association, Bakersfield, California ("Kern"), and Kern's wholly-owned service corporation, Kern Financial Services, Inc. ("KFSI"). Kern, with $39.4 million in assets, is a state-chartered federally-insured savings and loan association.

Upon consummation of the proposed transaction, Applicant would engage through Kern in the activity of operating a savings and loan association, and through KFSI in service corporation activities permissible under state law. KFSI engages in various activities, including the participation in joint ventures for development of multi-family dwellings in the Bakersfield area, and proposes to engage in additional real estate development. Although the Board has by order in individual cases determined that the operation of a thrift institution is closely related to banking,[1] the Board has determined that real estate development activities, such as those performed by KFSI, are not closely related to banking under the act.[2] Notwithstanding that fact, Applicant has proposed that notice of opportunity for hearing regarding the activities be published in the *Federal Register*.

Section 225.4(a) of Regulation Y, (12 CFR 225.4(A)) provides that a bank holding company may file an application to engage in activities other than those determined to be permissible for bank holding companies, if it is of the opinion that the proposed activity in the circumstances surrounding a particular case is closely related to banking or managing or controlling banks. The regulation further provides that the Board will publish in the *Federal Register* a notice of opportunity for hearing regarding the proposed activity only if it believes that there is a reasonable basis for the bank holding company's opinion. In *NCNB Corp.* v. *Board of Governors of the Federal Reserve System*, 599 F.2d 609 (4th Cir. 1979), the court held that the burden of demonstrating that a reasonable basis exists for a closely related determination rests with an applicant.

Applicant asserts that there is a reasonable basis for concluding that its proposed real estate development activities are closely related to banking because these activities should be viewed as part of the "cluster" of activities offered by the savings and loan association ("S&L"). Thus, according to Applicant, the operation of an S&L, together with any activities of a subsidiary service corporation, should be viewed as a whole that is closely related to banking.[3] Applicant's basis for this assertion is the "Thrift Study" issued by the Board's staff in September 1981. The Board has reviewed the analysis in the Thrift Study and concludes that it does not present a reasonable basis for concluding that real estate development activities are closely related to banking. The study merely states that the "cluster" approach might be a way to resolve the conflict between section 4(c)(8) of the act and the powers authorized for S&Ls. On the other hand, as noted above, the Board has long held that real estate development activities are not closely related to banking within the meaning of section 4(c)(8) of the act and are thus impermissible for a bank holding company or any direct or indirect nonbanking subsidiary thereof. (12 CFR § 225.126.) The Board believes that an activity that is otherwise impermissible for bank holding companies is not rendered permissible simply because that activity is performed by a direct or indirect nonbanking subsidiary of the holding company.

In determining whether there is a reasonable basis for an applicant's opinion that a proposed activity is closely related to banking, the Board has found the guidelines set forth in *National Courier Association* v. *Board of Governors of the Federal Reserve System*, 516 F.2d 1229 (D.C. Cir. 1975), to be useful. In that case, the court stated that a finding that an activity is closely related to banking could be made where it is demonstrated that banks generally have provided the proposed services; that banks generally provide serv-

1. See, *Interstate Financial Corporation* (Board Press Release of April 4, 1982); and *American Fletcher Corp.*, 60 FEDERAL RESERVE BULLETIN 868 (1974).

2. 12 CFR § 225.126.

3. Applicant advances other arguments (for example, that Kern is a financially troubled S&L) that relate to the "proper incident" standard of the act, and are not relevant to the closely related issue raised by the proposed real estate development activities.

ices that are operationally or functionally so similar to the proposed services as to equip them particularly well to provide the proposed service; or that banks generally provide services that are so integrally related to the proposed service as to require their provision in a specialized form.

In this regard, the Board finds that there is no evidence in the record that banks have engaged in the proposed real estate development activity. Further, there is no evidence to support the conclusion that the proposed activity is operationally or functionally so similar to activities presently conducted by banks so as to indicate that bank holding companies are particularly well equipped to provide the proposed activity. Indeed, banks appear to have little or no expertise in the field of real estate development. There is no evidence in the record that banks generally provide services that are so integrally related to real estate development as to require bank holding companies to provide this service in a specialized form. Nor has Applicant provided any other evidence that the proposed activity is closely related to banking.

Based upon the foregoing and the other facts of record, the Board concludes that Applicant has failed to meet its burden of demonstrating that there is a reasonable basis for its opinion that the proposed real estate development activity is closely related to banking or managing or controlling banks. Accordingly, a *Federal Register* notice of opportunity for hearing in this matter should not be published and the application is, hereby, dismissed.[4]

By order of the Board of Governors, effective May 3, 1982.

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

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

Chase Manhattan Corporation, New York, New York

Order Approving Acquisition of Nonbanking Companies

Chase Manhattan Corporation, New York, New York ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire through its wholly-owned subsidiary, Chase Home Mortgage Corporation ("CHMC"), substantially all of the assets of Suburban Coastal Corp., Wayne, New Jersey ("Coastal"), a mortgage banking subsidiary of Suburban Savings and Loan Association, Wayne, New Jersey ("Suburban S&L"). Coastal is engaged in the activities of originating and servicing one-to-four-family residential mortgages, the provision of data processing services for itself and Suburban S&L, and selling as agent credit life, accident and health insurance. Each of these activities has been determined by the Board to be closely related to banking (12 CFR §§ 225.4(a)(1), (3), (8), and (9)).

Notice of the application, affording opportunity for interested persons to submit comments on the public interest factors, has been duly published (47 *Federal Register* 19791). 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.

Applicant, with total consolidated assets of $77.8 billion, is the second largest banking organization in New York State and the third largest in the United States.[1] Applicant engages through subsidiaries in a variety of nonbanking activities, including commercial financing, leasing and factoring.

Through its subsidiary, CHMC, Applicant also originates and services mortgage loans. CHMC operates eleven loan origination offices in five states and its total assets approximate $42 million. During 1981, CHMC originated some $33 million in mortgage loans and an additional $69 million in such loans were originated by Applicant's banking subsidiary, The Chase Manhattan Bank, N.A. The total mortgages originated by these two subsidiaries of Applicant approximate 0.1 percent of the total mortgages originated by the 300 largest mortgage banking firms in the United States. Coastal, with total assets of $308 million as of March 31, 1982, operates 45 mortgage origination offices in 14 states. In 1981, Coastal originated some $1.2 billion in mortgage loans, or approximately 1 percent of the total for the 300 largest mortgage banks.

CMHC has loan offices in five markets where Coastal also has loan offices[2] and the combined market

4. Applicant has represented that it will not consummate the subject proposal unless it is approved in its entirety, including the impermissible real estate development activities that KFSI engages in and intends to expand. The Board would be prepared to consider a revised application that did not include activities that are not permissible under the act.

1. Unless otherwise indicated, financial data are as of December 31, 1981.

2. These offices are located in the Baltimore, Orlando, Jacksonville, Tampa, and Miami SMSAs. Although CHMC has offices in New Jersey, Applicant does not propose to acquire Coastal's New Jersey mortgage origination offices.

share of CHMC and Coastal in these markets ranges from 2.3 percent to 6.7 percent. Thus, some adverse effects on existing competition would result from consummation of this proposal.

With regard to potential competition, the Board notes that during the last two years, Coastal has closed five offices and reduced its staff by 15 percent. Coastal's parent corporation, Suburban S&L, has decided to concentrate its resources on its own activities and it appears that Suburban S&L will not support Coastal's operations to the extent necessary to ensure Coastal's continued operation as a vigorous competitor. Accordingly, it does not appear that Coastal is a likely entrant into the local markets where Applicant currently has offices. On the other hand, Applicant has increased its number of mortgage banking offices and apparently has the potential to enter many of the local markets where Coastal presently has offices. Coastal has a market share in excess of 5 percent in four markets, and a market share in excess of 10 percent in only one market. Although somewhat concentrated, this latter market is far removed from CHMC's base of operations and it does not appear likely that CHMC would enter this market. The large number of other potential entrants into Coastal's local markets also moderates the negative effects on potential competition associated with the proposal.

Applicant also proposes to acquire the $4.4 billion mortgage servicing portfolio of Coastal, which ranks as the fifth largest mortgage servicer in the country as of June 30, 1981. CHMC services a mortgage portfolio of $1.5 billion and is the nation's 40th largest mortgage servicer as of June 30, 1981. Thus, consummation of this proposal would eliminate an independent competitor in the mortgage servicing industry, and Applicant would become the third largest mortgage servicing company in the nation.

In view of the size of the various companies involved in this proposal and based upon all the facts of record, consummation of the proposal would have some negative effects with respect to concentration of resources. Nevertheless, the Board believes that such negative effects are tempered by the large number of other competitors that will remain after consummation of the proposal and by the low barriers to entry in mortgage banking. When balanced against the public benefits expected to result from this transaction, the Board believes the proposal warrants approval.

Affiliation of Coastal with Applicant will provide Coastal with access to Applicant's financial and managerial resources and ensure the continued availability of mortgage loans and related insurance services to Coastal's customers, as well as the continuation of Coastal's mortgage servicing activities. The continued operation of Coastal as a vigorous competitor, and other public interest considerations relating to the orderly disposition of Coastal, lend significant weight toward approval of the proposal.

The Board has also considered the capital position of Applicant, and wishes to reemphasize its earlier statements that the nation's largest banking organizations should make every effort to improve their capital positions over time. With respect to Applicant, the Board has noted the improvements that Applicant has made in its capital position over the past several months and expects that efforts for further improvement will continue.

On the basis of these and other facts of record, the Board concludes that the benefits to the public that would result from Applicant's acquisition of Coastal are sufficient to outweigh the negative effects on competition and concentration of resources that would result from the proposed acquisition. Furthermore, there is no evidence in the record to indicate that consummation of the proposed transaction would result in unfair competition, conflicts of interest, unsound banking practices or any other effects that would be adverse to the public interest.

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 § 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 New York pursuant to authority hereby delegated.

By order of the Board of Governors, effective May 27, 1982.

Voting for this action: Chairman Volcker and Governors Wallich, Partee, Teeters, and Rice. Absent and not voting: Governors Martin and Gramley. Governor Wallich abstained from consideration of those portions of the application related to insurance activities.

(Signed) WILLIAM W. WILES,
[SEAL] *Secretary of the Board.*

Orders Approving Applications Under the Bank Holding Company Act and Bank Merger Act

By the Board of Governors

During May 1982, 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 Freeport Corporation, Freeport, Texas	Coastal National Bank, Angleton, Texas	May 20, 1982
InterFirst Corporation, Dallas, Texas	First International Bank—Chelmont, N.A., El Paso, Texas	April 30, 1982
Mercantile Texas Corporation, Dallas, Texas	Farmers State Bank of Round Rock, Round Rock, Texas	May 7, 1982
Mercantile Texas Corporation, Dallas, Texas	State National Financial Corporation, Corsicana, Texas	April 29, 1982

Section 4

Applicant	Nonbanking company (or activity)	Effective date
Barnett Banks of Florida, Inc., Jacksonville, Florida	First State Mortgage Company, Altamonte Springs, Florida	May 6, 1982

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
Amarillo National Bancorp, Amarillo, Texas	Amarillo National Bank, Amarillo, Texas	Dallas	May 18, 1982
Americo Bancshares, Inc., Wolfforth, Texas	American Bank of Commerce at Wolfforth, Texas, Wolfforth, Texas	Dallas	May 18, 1982
Andrew Johnson Bancshares, Inc., Greenville, Tennessee	Andrew Johnson Bank, Greenville, Tennessee	Atlanta	May 5, 1982
Associated Banc-Corp., Green Bay, Wisconsin	Bank of Commerce, Milwaukee, Wisconsin	Chicago	May 18, 1982
Bank Sales Department, Inc., Terril, Iowa	The State Bank, Spirit Lake, Iowa	Chicago	May 14, 1982

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Bancorp of Northwestern Indiana, Goodland, Indiana	Goodland State Bank, Goodland, Indiana	Chicago	May 21, 1982
Basin Bancorp Inc., Ducktown, Tennessee	Ducktown Banking Company, Ducktown, Tennessee	Atlanta	May 7, 1982
Beverly Bankshares, Inc., Beverly, Kansas	The Beverly State Bank, Beverly, Kansas	Kansas City	May 7, 1982
Boatmen's Bancshares, Inc., St. Louis, Missouri	Farmers and Merchants Bank, Cape Girardeau, Missouri	St. Louis	April 28, 1982
Bonneville Bancorp, Provo, Utah	The Bonneville Bank, Provo, Utah	San Francisco	May 9, 1982
Borger First Corporation, Borger, Texas	First National Bank of Borger, Borger, Texas	Dallas	May 24, 1982
BSD Bancorp, Inc., San Diego, California	Coast Bank, Long Beach, California	San Francisco	April 26, 1982
Caldwell Bancshares, Inc., Caldwell, Texas	First State Bank, Chilton, Texas	Dallas	May 4, 1982
Chisago Bancorporation, Inc., Minneapolis, Minnesota	Chisago State Bank, Chisago City, Minnesota	Minneapolis	May 21, 1982
Citizens Holding Company, Philadelphia, Mississippi	The Citizens Bank of Philadelphia, Philadelphia, Mississippi	Atlanta	May 14, 1982
Citizens Union Bancorp of Shelbyville, Inc., Shelbyville, Kentucky	Citizens Union Bank of Shelbyville, Shelbyville, Kentucky	St. Louis	April 29, 1982
CNB Financial Corporation, Kansas City, Kansas	Commercial National Bank, Kansas City, Kansas	Kansas City	May 3, 1982
Coleman Bancshares, Inc., Coleman, Texas	Coleman Bank, Coleman, Texas	Dallas	April 30, 1982
Columbia Bancshares, Inc., West Columbia, Texas	First Capitol Bank, West Columbia, Texas	Dallas	April 30, 1982
Commercial Bancshares, Inc., Jersey City, New Jersey	Commercial Trust Company of New Jersey, Jersey City, New Jersey	New York	May 19, 1982
Delaware Bancshares, Inc., Jay, Oklahoma	The Delaware County Bank, Jay, Oklahoma	Kansas City	May 11, 1982
Edens Bancshares, Inc., Wilmette, Illinois	Edens Plaza State Bank, Wilmette, Illinois	Chicago	May 7, 1982
English Valley Bancshares, Inc., North English, Iowa	Farmers Savings Bank, North English, Iowa	Chicago	May 4, 1982
Evansville Bancshares, Inc., Evansville, Minnesota	Farmers State Bank of Evansville, Evansville, Minnesota	Minneapolis	May 14, 1982
Farmers and Merchants Financial Services, Inc., New Ulm, Minnesota	Farmers and Merchants State Bank of New Ulm, New Ulm, Minnesota	Minneapolis	May 18, 1982
First Alabama Bancshares, Inc., Montgomery, Alabama	The Anniston National Bank, Anniston, Alabama	Atlanta	May 13, 1982
First American Corporation, Nashville, Tennessee	First Eastern National Bank, Kingsport, Tennessee	Atlanta	May 18, 1982
First Bank Holding Company, Inc., Harvey, North Dakota	The National Bank of Harvey, Harvey, North Dakota	Minneapolis	May 5, 1982

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
First Midwest Bancorp., Inc., St. Joseph, Missouri	The Merchants and Farmers Bank of Salisbury, Salisbury, Missouri	Kansas City	April 28, 1982
The First National Bancorporation, Inc., Denver, Colorado	Foothills National Bank, Fort Collins, Colorado	Kansas City	April 30, 1982
First Newton Corporation, Newton, Mississippi	First National Bank of Newton, Newton, Mississippi	Atlanta	May 7, 1982
First Southeast Banking Corp., Darien, Wisconsin	Racine County National Bank, Franksville, Wisconsin	Chicago	May 5, 1982
Flagship Banks, Inc., Miami, Florida	Citizens National Bank of Naples, Naples, Florida	Atlanta	May 7, 1982
Flint Bancshares, Inc., Cordele, Georgia	Cordele Banking Company, Cordele, Georgia	Atlanta	May 13, 1982
Haviland Bancshares, Inc., Haviland, Kansas	The Haviland State Bank, Haviland, Kansas	Kansas City	May 17, 1982
H C Financial Corp., LaBelle, Florida	Hendry County Bank, LaBelle, Florida	Atlanta	May 25, 1982
JDOB, Inc., Naples, Florida	First National Bank of Askov, Askov, Minnesota	Minneapolis	May 10, 1982
Johnston County Bancshares, Inc., Tishomingo, Oklahoma	Bank of Johnston County, Tishomingo, Oklahoma	Dallas	April 30, 1982
Lakeside Bancshares, Inc., Lake Charles, Louisiana	Lakeside National Bank of Lake Charles, Lake Charles, Louisiana	Atlanta	April 27, 1982
The Levelland Co., Levelland, Texas	Bank of the West, Lubbock, Texas South Plains Bancshares, Inc., Idalou, Texas	Dallas	May 20, 1982
Marion Bancshares, Inc., Lexington, Kentucky	Marion National Bank, Lebanon, Kentucky	St. Louis	April 30, 1982
Lisle Bancorporation, Lisle, Illinois	Bank of Lisle, Lisle, Illinois	Chicago	May 6, 1982
Madison Bancorp., Inc., Madison, Kansas	The Madison Bank, Madison, Kansas	Kansas City	May 4, 1982
Marine Bancorp, Inc., Springfield, Illinois	American National Bank of Champaign, Champaign, Illinois	Chicago	May 10, 1982
Merchants Bancorporation, Topeka, Kansas	The Merchants National Bank of Topeka, Topeka, Kansas	Kansas City	April 30, 1982
Metropolitan Bancshares, Inc., Munford, Tennessee	Munford Union Bank, Munford, Tennessee	St. Louis	May 7, 1982
Midlands Financial Services, Inc., Omaha, Nebraska	Nebraska State Bank of Omaha, Omaha, Nebraska	Kansas City	May 10, 1982
Murdock Bancshares, Inc., Murdock, Kansas	Murdock State Bank, Murdock, Kansas	Kansas City	April 26, 1982
Napoleon Bancorporation, Inc., Napoleon, North Dakota	Stock Growers Bank, Napoleon, North Dakota	Minneapolis	May 19, 1982

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Northern Cities Bancorporation, Inc., Forest Lake, Minnesota	Tri-County National Bank, Forest Lake, Minnesota	Minneapolis	May 5, 1982
The Northern Corporation, Wisner, Nebraska	North Side Bank, Omaha, Nebraska	Kansas City	May 10, 1982
North Shore Capital Corporation, Wilmette, Illinois	The Morton Grove Bank, Morton Grove, Illinois	Chicago	May 21, 1982
Owatonna Bancshares, Inc., Owatonna, Minnesota	Owatonna State Bank, Owatonna, Minnesota	Minnesota	May 11, 1982
Patriot Bancorporation, Boston, Massachusetts	Commonwealth National Corporation, Boston, Massachusetts	Boston	May 3, 1982
Peoples Banking Co. of Cecil Co., Elkton, Maryland	The Peoples Bank of Elkton, Elkton, Maryland	Richmond	April 27, 1982
Philadelphia Capital Corporation, Philadelphia, Mississippi	Bank of Philadelphia, Philadelphia, Mississippi	Atlanta	May 14, 1982
Pinellas Bancshares Corporation, St. Petersburg, Florida	United Bank of Pinellas, St. Petersburg, Florida	Atlanta	May 3, 1982
Plum Grove Bancorporation, Inc., Rolling Meadows, Illinois	Plum Grove Bank, Rolling Meadows, Illinois	Chicago	April 26, 1982
PT&S Bancorp, Indianola, Iowa	Peoples Trust and Savings Bank, Indianola, Iowa	Chicago	May 14, 1982
Ranger Bancshares, Inc., Ranger, Texas	First State Bank, Ranger, Texas	Dallas	May 12, 1982
Ruidoso Bank Corporation, Ruidoso, New Mexico	Ruidoso State Bank, Ruidoso, New Mexico	Dallas	May 25, 1982
Southern Bancshares, Inc., Bremond, Texas	First State Bank, Bremond, Texas Lott State Bank, Lott, Texas	Dallas	May 11, 1982
Springfield State Bancorporation, Inc., Springfield, Minnesota	State Bank of Springfield, Springfield, Minnesota	Minneapolis	May 3, 1982
State Holding Company, Thermopolis, Wyoming	First State Bank, Thermopolis, Wyoming	Kansas City	May 19, 1982
Steel City Bancorporation, Inc., Chicago, Illinois	Thornridge State Bank, South Holland, Illinois	Chicago	May 7, 1982
Sterling Bankshares, Inc., Tecumseh, Nebraska	Bank Management, Inc., Wahoo, Nebraska	Kansas City	May 12, 1982
The Summit Bancorporation, Summit, New Jersey	The Town and Country Bank, Flemington, New Jersey	New York	May 5, 1982
Table Rock Bancshares, Inc., Shell Knob, Missouri	Community Bank of Shell Knob, Shell Knob, Missouri	St. Louis	May 12, 1982
T-C Holdings, Inc., Chicago, Illinois	Bank of Yorktown, Lombard, Illinois	Chicago	April 26, 1982
Tecumseh Bankshares, Inc., Tecumseh, Nebraska	Bank Management, Inc., Wahoo, Nebraska	Kansas City	May 12, 1982
Union Bank Corporation, Wichita, Kansas	Union National Bank, Wichita, Kansas	Kansas City	April 21, 1982

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
United Hamblen, Inc., Morristown, Tennessee	Bank of Commerce, Morristown, Tennessee	Atlanta	May 5, 1982
Valley Capital Corp., Rosedale, Mississippi	The Valley Bank, Rosedale, Mississippi	St. Louis	May 21, 1982
Vesta Bancorporation, Inc., Vesta, Minnesota	Vesta State Bank, Vesta, Minnesota	Minneapolis	May 18, 1982
Victoria Bankshares, Inc., Victoria, Texas	New Braunfels National Bank, New Braunfels, Texas	Dallas	May 18, 1982
Warrior Capital Corporation, Warrior, Alabama	Warrior Savings Bank, Warrior, Alabama	Atlanta	May 13, 1982
Yazoo Capital Corporation, Yazoo City, Mississippi	Bank of Yazoo City, Yazoo City, Mississippi	Atlanta	April 30, 1982
Zapata Bancshares, Inc., Zapata, Texas	First National Bank of Zapata, Zapata, Texas	Dallas	May 26, 1982

Section 4

Applicant	Nonbanking company (or activity)	Reserve Bank	Effective date
Landmark Banking Corporation of Florida, Ft. Lauderdale, Florida	Capital America, Inc., Ft. Lauderdale, Florida Capital Associates, Inc., Pompano Beach, Florida	Atlanta	April 30, 1982
Mid-Nebraska Bancshares, Inc., Ord, Nebraska	Ord Insurance Agency, Inc., Ord, Nebraska	Kansas City	April 21, 1982
Southeast Banking Corporation, Miami, Florida	Churchill Mortgage Company, Miami, Florida	Atlanta	May 3, 1982
Tennessee National Bancshares, Inc., Maryville, Tennessee	Professional Leasing, Inc., Maryville, Tennessee	Atlanta	April 26, 1982

Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Reserve Bank	Effective date
Bushnell Bancorp, Bushnell, Nebraska	Kimball County Bank, Bushnell, Nebraska	Bushnell Insurance Agency, Bushnell, Nebraska	Kansas City	May 12, 1982

ORDERS APPROVED UNDER BANK MERGER ACT

By Federal Reserve Banks

Applicant	Bank(s)	Reserve Bank	Effective date
First Virginia Bank-Highlands, Covington, Virginia	The Bath County National Bank, Hot Springs, Virginia	Richmond	May 20, 1982
First Virginia Bank-Shenandoah Valley, Woodstock, Virginia	First Virginia Bank of Frederick County, Stephens City, Virginia	Richmond	May 4, 1982
Guardian State Bank, Salt Lake City, Utah	Empire State Bank, Salt Lake City, Utah	San Francisco	March 30, 1982

*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.*

Florida National Banks of Florida, Inc. v. *Board of Governors*, filed April 1982, U.S.C.A. for the District of Columbia.

John A. Gabriel v. *Board of Governors*, filed April 1982, U.S.C.A. for the Ninth Circuit.

First Bancorporation v. *Board of Governors*, filed April 1982, U.S.C.A. for the Tenth Circuit.

Charles G. Vick v. *Paul A. Volcker, et al.*, filed March 1982, U.S.D.C. for the District of Columbia.

Jolene Gustafson v. *Board of Governors*, filed March 1982, U.S.C.A. for the Fifth Circuit.

C. A. Cavendes, Sociedad Financiera v. *Board of Governors*, filed January 1982, U.S.C.A. for the District of Columbia.

First Lakefield BanCorporation v. *Board of Governors, et al.*, filed January 1982, U.S.D.C. for the District of Minnesota.

Christian Educational Association, Inc. v. *Federal Reserve System*, filed January 1982, U.S.D.C. for the Middle District of Florida.

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

Edwin F. Gordon v. *Board of Governors, et al.*, filed October 1981, U.S.C.A. for the Eleventh Circuit (two consolidated cases).

Wendall Hall v. *Board of Governors, et al.*, filed September 1981, U.S.D.C. for the Northern District of Georgia.

Allen Wolfson v. *Board of Governors*, filed September 1981, U.S.D.C. for the Middle District of Florida.

Option Advisory Service, Inc. v. *Board of Governors*, filed September 1981, U.S.C.A. for the Second Circuit (two cases).

Bank Stationers Association, Inc., et al. v. *Board of Governors*, filed July 1981, U.S.D.C. for the Northern District of Georgia.

Public Interest Bounty Hunters v. *Board of Governors, et al.*, filed June 1981, U.S.D.C. for the Northern District of Georgia.

Edwin F. Gordon v. *John Heimann, et al.*, filed May 1981, U.S.C.A. for the Fifth Circuit.

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

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

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.

A. G. Becker, Inc. v. *Board of Governors, et al.*, filed August 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.

Financial and Business Statistics

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1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1981			1982	1981	1982			
	Q2	Q3	Q4	Q1	Dec.	Jan.	Feb.	Mar.	Apr.
	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[1]								
Reserves of depository institutions									
1 Total	4.2	4.0	3.2	8.3	11.3	22.2	-10.2	4.7	2.7
2 Required	5.0	3.1	3.5	7.9	12.1	19.4	6.9	3.1	5.3
3 Nonborrowed	2.4	7.9	10.5	.4	12.3	4.0	18.8	12.1	2.5
4 Monetary base[2]	5.8	4.3	3.9	8.0	11.3	11.6	3.4	4.1	9.2
Concepts of money and liquid assets[3]									
5 M1	9.2	.3	5.7	10.4	12.4	21.0	3.5	2.4	11.0
6 M2	12.0	8.3	8.8	9.7	8.4	12.2	4.3	11.2	9.7
7 M3	12.2	11.2	9.2	8.6	7.3	8.9	5.8	11.3	11.4
8 L	10.6	11.9	10.6	n.a.	5.7	7.9	n.a.	n.a.	n.a.
Time and savings deposits									
Commercial banks									
9 Total	11.9	18.4	8.3	7.5	1.6	5.0	11.1	19.9	15.6
10 Savings[4]	8.9	22.7	11.9	8.7	4.6	14.5	.8	13.6	1.5
11 Small-denomination time[5]	16.2	24.3	20.8	9.7	.3	4.4	16.1	25.1	28.8
12 Large-denomination time[6]	19.9	36.0	5.4	4.6	2.2	1.1	10.7	17.2	9.0
13 Thrift institutions[7]	3.2	2.6	2.7	3.1	1.3	1.1	5.2	7.6	5.3
14 Total loans and securities at commercial banks[8]	8.5	8.7	3.6	2.5	10.1r	3.5r	10.7r	8.0r	8.7
	1981			1982	1982				
	Q2	Q3	Q4	Q1	Jan.	Feb.	Mar.	Apr.	May
	Interest rates (levels, percent per annum)								
Short-term rates									
15 Federal funds[9]	17.78	17.58	13.59	14.23	13.22	14.78	14.68	14.94	14.45
16 Discount window borrowing[10]	13.62	14.00	13.04	12.00	12.00	12.00	12.00	12.00	12.00
17 Treasury bills (3-month market yield)[11]	14.91	15.05	11.75	12.81	12.28	13.48	12.68	12.70	12.09
18 Commercial paper (3-month)[11,12]	16.15	16.78	13.04	13.81	13.09	14.53	13.80	14.06	13.42
Long-term rates									
Bonds									
19 U.S. government[13]	13.49	14.51	14.14	14.27	14.57	14.48	13.75	13.57	13.46
20 State and local government[14]	10.69	12.11	12.54	13.02	13.28	12.97	12.82	12.59	11.95
21 Aaa utility (new issue)[15]	15.41	16.82	15.67	15.71	15.68	15.93	15.43	15.83	15.22
22 Conventional mortgages[16]	16.15	17.50	17.33	17.10	17.30	17.20	16.80	16.65	16.50

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

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: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) traveler's checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2: M1 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 balances of money market mutual funds (general purpose and broker/dealer).

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations and balances of institution-only money market mutual funds.

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 and thrifts and CUSD accounts at credit unions.

5. Small-denomination time deposits—including retail RPs—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. December 1981 and 1981 Q4 rates reflect shifts of foreign loans and securities from U.S. banking offices to international banking facilities.

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.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1982			1982						
	Mar.	Apr.	May	Apr. 14	Apr 21	Apr. 28	May 5	May 12	May 19p	May 26p
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit outstanding**	**146,815**	**150,361**	**151,154**	**148,694**	**152,150**	**150,809**	**156,441**	**150,703**	**150,803**	**149,951**
2 U.S. government securities[1]	124,600	127,526	129,686	125,592	129,436	128,370	132,639	128,663	129,727	129,340
3 Bought outright	124,303	126,542	128,964	125,592	128,109	128,055	129,080	128,663	128,934	128,784
4 Held under repurchase agreements	297	984	722	0	1,327	315	3,559	0	793	556
5 Federal agency securities	9,035	9,123	9,123	9,011	9,117	9,058	9,654	9,008	9,097	9,084
6 Bought outright	9,017	9,010	9,008	9,011	9,008	9,008	9,008	9,008	9,008	9,008
7 Held under repurchase agreements	18	113	115	0	109	50	646	0	89	76
8 Acceptances	47	150	164	0	209	27	498	0	233	231
9 Loans	1,611	1,581	1,105	1,335	1,653	1,823	1,499	1,117	963	1,054
10 Float	2,420	2,629	1,988	3,535	2,393	1,996	2,122	2,134	1,777	1,995
11 Other Federal Reserve assets	9,102	9,352	9,088	9,222	9,342	9,534	10,029	9,780	9,006	8,247
12 Gold stock	11,150	11,150	11,149	11,150	11,150	11,150	11,149	11,149	11,149	11,149
13 Special drawing rights certificate account	3,568	3,660	3,818	3,568	3,639	3,818	3,818	3,818	3,818	3,818
14 Treasury currency outstanding	13,723	13,744	13,758	13,737	13,750	13,752	13,756	13,756	13,756	13,757
ABSORBING RESERVE FUNDS										
15 Currency in circulation	140,951	143,024	144,683	143,702	143,477	142,831	143,427	144,656	144,896	144,737
16 Treasury cash holdings	474	490	489	491	490	490	490	492	488	486
Deposits, other than reserves, with Federal Reserve Banks										
17 Treasury	3,312	4,695	4,292	3,626	4,258	4,788	9,773	4,694	3,122	3,023
18 Foreign	280	289	332	307	247	255	583	317	259	260
19 Other	560	443	509	435	380	487	523	476	500	501
20 Required clearing balances	156	172	184	172	174	177	177	183	186	189
21 Other Federal Reserve liabilities and capital	5,121	5,237	5,364	5,073	5,261	5,295	5,520	5,257	5,203	5,319
22 Reserve accounts[2]	24,401	24,565	24,028	23,343	26,402	25,205	24,671	23,351	24,872	24,161

Factors	End-of-month figures			Wednesday figures						
	1982			1982						
	Mar.	Apr.	May	Apr. 14	Apr 21	Apr 28	May 5	May 12	May 19p	May 26p
SUPPLYING RESERVE FUNDS										
23 **Reserve Bank credit outstanding**	**148,729**	**158,729**	**149,884**	**149,477**	**155,488**	**158,701**	**152,208**	**152,966**	**153,320**	**149,245**
24 U.S. government securities[1]	125,589	134,257	129,407	123,831	130,615	130,371	129,232	129,845	131,291	128,765
25 Bought outright	123,992	128,988	129,407	123,831	127,949	128,166	129,232	129,845	128,358	128,765
26 Held under repurchase agreements	1,597	5,269	0	....	2,666	2,205	0	0	2,933	0
27 Federal agency securities	9,095	10,004	9,008	9,008	9,228	9,356	0	0	9,425	9,008
28 Bought outright	9,013	9,008	9,008	9,008	9,008	9,008	9,008	9,008	9,008	9,008
29 Held under repurchase agreements	82	996	0	....	220	348	9,008	9,008	417	0
30 Acceptances	488	768	0	....	128	192	0	0	944	0
31 Loans	2,646	1,799	1,058	4,444	3,043	6,180	1,251	1,757	1,058	1,367
32 Float	1,882	1,507	1,776	2,890	2,955	2,870	2,973	2,702	2,008	1,648
33 Other Federal Reserve assets	9,029	10,394	8,635	9,304	9,519	9,732	9,744	9,654	8,594	8,457
34 Gold stock	11,150	11,149	11,149	11,150	11,150	11,150	11,149	11,149	11,149	11,149
35 Special drawing rights certificate account	3,568	3,818	3,818	3,568	3,818	3,818	3,818	3,818	3,818	3,818
36 Treasury currency outstanding	13,734	13,756	13,767	13,745	13,751	13,756	13,756	13,756	13,756	13,761
ABSORBING RESERVE FUNDS										
37 Currency in circulation	141,673	143,044	145,523	144,220	143,346	143,361	144,259	145,384	145,037	145,504
38 Treasury cash holdings	484	491	477	491	489	491	487	490	487	483
Deposits, other than reserves, with Federal Reserve Banks										
39 Treasury	2,866	12,239	2,540	2,909	7,031	10,869	4,354	3,051	3,697	2,969
40 Foreign	421	966	308	239	224	264	283	227	241	272
41 Other	425	450	523	373	486	484	510	541	507	545
42 Required clearing balances	167	176	189	171	174	175	176	181	186	189
43 Other Federal Reserve liabilities and capital	4,955	5,561	5,784	4,946	5,211	5,282	5,146	5,042	5,096	5,118
44 Reserve accounts[2]	26,190	24,526	23,274	24,591	27,246	26,498	25,716	26,773	26,792	22,893

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

2. Excludes required clearing balances.

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									
	1980	1981				1982				
	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.[r]	May[p]
1 Reserve balances with Reserve Banks[1]	26,664	25,499	25,690	25,892	26,163	26,721	25,963	24,254	24,565	24,028
2 Total vault cash (estimated)	18,149	18,925	18,810	18,844	19,538	20,284	19,251	18,749	18,577	19,032
3 Vault cash at institutions with required reserve balances[2]	12,602	13,041	12,924	12,986	13,577	14,199	13,082	12,663	12,709	13,038
4 Vault cash equal to required reserves at other institutions	704	2,053	2,097	2,073	2,178	2,290	2,235	2,313	2,284	2,312
5 Surplus vault cash at other institutions[3]	4,843	3,831	3,789	3,785	3,783	3,795	3,934	3,773	3,584	3,682
6 Reserve balances + total vault cash[4]	44,940	44,424	44,500	44,736	45,701	47,005	45,214	43,003	43,142	43,063
7 Reserve balances + total vault cash used *to satisfy reserve requirements*[4,5]	40,097	40,593	40,711	40,951	41,918	43,210	41,280	39,230	39,558	39,381
8 Required reserves (estimated)	40,067	40,177	40,433	40,604	41,606	42,785	40,981	38,873	39,284	39,199
9 Excess reserve balances at Reserve Banks[4,6]	30	416	278	347	312	425	299	357	274	182
10 Total borrowings at Reserve Banks	1,617	1,473	1,149	695	642	1,526	1,713	1,611	1,581	1,105
11 Seasonal borrowings at Reserve Banks	116	222	152	79	53	75	132	174	167	237
12 Extended credit at Reserve Banks	n.a.	301	442	178	149	197	232	309	245	177
	Weekly averages of daily figures for week ending:									
	1982									
	Mar. 24	Mar. 31	Apr. 7	Apr. 14	Apr. 21[r]	Apr. 28[r]	May 5	May 12	May 19[p]	May 26[p]
13 Reserve balances with Reserve Banks[1]	24,905	24,376	23,280	23,343	26,402	25,205	24,671	23,351	24,872	24,161
14 Total vault cash (estimated)	17,621	18,574	18,858	19,208	17,243	18,702	19,611	19,639	18,557	18,468
15 Vault cash at institutions with required reserve balances[2]	12,141	12,653	12,800	12,950	11,924	12,939	13,485	13,324	12,620	12,740
16 Vault cash equal to required reserves at other institutions	2,084	2,261	2,355	2,404	2,092	2,252	2,403	2,483	2,254	2,176
17 Surplus vault cash at other institutions[3]	3,396	3,660	3,703	3,854	3,227	3,511	3,723	3,832	3,683	3,552
18 Reserve balances + total vault cash[4]	42,526	42,950	42,138	42,551	43,645	43,907	44,282	42,990	43,432	42,632
19 Reserve balances + total vault cash used to satisfy reserve requirements[4,5]	39,130	39,290	38,435	38,697	40,418	40,396	40,559	39,158	39,749	39,080
20 Required reserves (estimated)	38,861	38,824	38,163	38,379	40,247	40,111	40,115	38,894	39,289	38,942
21 Excess reserve balances at Reserve Banks[4,6]	269	466	272	318	171	285	444	264	460	138
22 Total borrowings at Reserve Banks	1,652	1,656	1,480	1,335	1,653	1,823	1,499	1,117	963	1,054
23 Seasonal borrowings at Reserve Banks	173	200	166	154	159	177	205	218	232	258
24 Extended credit at Reserve Banks	311	324	279	234	248	227	214	192	179	162

1. As of Aug. 13, 1981 excludes required clearing balances of all depository institutions.
2. Before 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 which exclude required clearing balances 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 which exclude required clearing balances 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.)

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

Averages of daily figures, in millions of dollars

By maturity and source	1982, week ending Wednesday								
	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28	May 5	May 12	May 19	May 26
One day and continuing contract									
1 Commercial banks in United States	52,588	61,417r	62,005r	57,732r	54,102r	56,418	58,947	55,246	54,216
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	19,910	18,378	18,862	18,822	18,437r	19,663	20,582	22,496	23,688
3 Nonbank securities dealers	3,939	3,979	3,547	3,604	3,452	3,900	3,982	3,856	3,684
4 All other	23,246	22,926r	19,784r	21,041r	21,952r	22,152	22,111	22,932	21,524
All other maturities									
5 Commercial banks in United States	4,167	4,104	5,045	4,658	4,582	4,789	4,593	4,346	4,286
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	8,141	8,394	8,620	8,712	8,903r	9,569	9,308	9,372	9,640
7 Nonbank securities dealers	3,783	3,639	3,906	3,674	4,078	4,433	4,195	4,002	3,686
8 All other	9,405	9,552	12,984	11,114	9,432	8,798	9,132	9,243	10,170
MEMO: Federal funds and resale agreement loans in maturities of one day or continuing contract									
9 Commercial banks in United States	17,094	20,082	18,539	19,423	18,475r	20,204	19,332	18,424	18,866
10 Nonbank securities dealers	4,470	4,414	4,307	4,186	4,632	4,312	3,709	3,973	4,169

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Short-term adjustment credit and seasonal credit			Extended credit[1]						
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		Effective date for current rates
	Rate on 5/31/82	Effective date	Previous rate	Rate on 5/31/82	Previous rate	Rate on 5/31/82	Previous rate	Rate on 5/31/82	Previous rate	
Boston	12	12/4/81	13	12	13	13	14	14	15	12/4/81
New York	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Philadelphia	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Cleveland	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Richmond	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Atlanta	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Chicago	12	12/4/81	13	12	13	13	14	14	15	12/4/81
St. Louis	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Minneapolis	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Kansas City	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Dallas	12	12/4/81	13	12	13	13	14	14	15	12/4/81
San Francisco	12	12/4/81	13	12	13	13	14	14	15	12/4/81

Range of rates in recent years[2]

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1972	4½	4½
1973— Jan. 15	5	5
Feb. 26	5-5½	5½
Mar. 2	5½	5½
Apr. 23	5½-5¾	5½
May 4	5¾	5¾
11	5¾-6	6
18	6	6
June 11	6-6½	6½
15	6½	6½
July 2	7	7
Aug. 14	7-7½	7½
23	7½	7½
1974— Apr. 25	7½-8	8
30	8	8
Dec. 9	7¾-8	7¾
16	7¾	7¾
1975— Jan. 6	7¼-7¾	7¾
10	7¼-7¾	7¼
24	7¼	7¼
Feb. 5	6¾-7¼	6¾
7	6¾	6¾
Mar. 10	6¼-6¾	6¼
14	6¼	6¼
May 16	6-6¼	6
23	6	6

Effective date	Range (or level) All F.R. Banks	F.R. Bank of N.Y.
1976— Jan. 19	5½-6	5½
23	5½	5½
Nov. 22	5¼-5½	5¼
26	5¼	5¼
1977— Aug. 30	5¼-5¾	5¼
31	5¼-5¾	5¾
Sept. 2	5¾	5¾
Oct. 26	6	6
1978— Jan. 9	6-6½	6½
20	6½	6½
May 11	6½-7	7
12	7	7
July 3	7-7¼	7¼
July 10	7¼	7¼
Aug. 21	7¾	7¾
Sept. 22	8	8
Oct. 16	8-8½	8½
20	8½	8½
Nov. 1	8½-9½	9½
3	9½	9½
1979 July 20	10	10
Aug. 17	10-10½	10½
20	10½	10½

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
1979— Sept. 19	10½-11	11
21	11	11
Oct. 8	11-12	12
10	12	12
1980— Feb. 15	12-13	13
19	13	13
May 29	12-13	13
30	12	12
June 13	11-12	11
16	11	11
July 28	10-11	10
29	10	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12-13	13
8	13	13
1981 May 5	13-14	14
May 8	14	14
Nov. 2	13-14	13
Nov. 6	13	13
Dec. 4	12	12
In effect May 31, 1982	12	12

1. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution and to advances when an institution is under sustained liquidity pressures. See section 201.3(b)(2) of Regulation A.

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

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

1.15 DEPOSITORY INSTITUTIONS RESERVE REQUIREMENTS[1]

Percent of deposits

Type of deposit, and deposit interval in millions of dollars	Member bank requirements before implementation of the Monetary Control Act	
	Percent	Effective date
Net demand[2]		
0–2	7	12/30/76
2–10	9½	12/30/76
10–100	11¾	12/30/76
100–400	12¾	12/30/76
Over 400	16¼	12/30/76
Time and savings[2,3]		
Savings	3	3/16/67
Time[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

Type of deposit, and deposit interval	Depository institution requirements after implementation of the Monetary Control Act[5]	
	Percent	Effective date
Net transaction accounts[6,7]		
\$0–\$26 million	3	11/13/80
Over \$26 million	12	11/13/80
Nonpersonal time deposits[8]		
By original maturity		
Less than 3½ years	3	4/29/82
3½ years or more	0	4/29/82
Eurocurrency liabilities		
All types	3	11/13/80

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

2. (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 Apr. 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 nonmember institutions, and certain other obligations. In general, the base for the marginal reserve requirement was originally the greater of (a) \$100 million or (b) the average amount of the managed liabilities held by a member bank, Edge corporation, or family of U.S. branches and agencies of a foreign bank for the two 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. New institutions have a two-year phase-in beginning with the date that they open for business, except for those institutions having total reservable liabilities of \$50 million or more.

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. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement will apply be modified annually to 80 percent of the percentage increase in transaction accounts held by all depository institutions on the previous June 30. At the beginning of 1982 the amount was accordingly increased from \$25 million to \$26 million.

8. 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.

NOTES TO TABLE 1.16

18. Effective Dec. 1, 1981, depository institutions were authorized to offer time deposits not subject to interest rate ceilings when the funds are deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an IRA agreement or Keogh (H.R. 10) plan. Such time deposits must have a minimum maturity of 18 months, and additions may be made to the time deposit at any time before its maturity without extending the maturity of all or a portion of the balance of the account.

19. Effective May 1, 1982, depository institutions were authorized to offer negotiable or nonnegotiable time deposits with a minimum original maturity of 3½ years or more that are not subject to interest rate ceilings. Such time deposits have no minimum denomination, but must be made available in a \$500 denomination. Additional deposits may be made to the account during the first year without extending its maturity.

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*.

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 (thrift institutions)			
	In effect May 31, 1982		Previous maximum		In effect May 31, 1982		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]	5¼	12/31/80	5	1/1/74	5¼	12/31/80	5	1/1/74
Time accounts [3]								
Fixed ceiling rates by maturity [4]								
3 14-89 days [5]	5¼	8/1/79	5	7/1/73	(6)	....	(6)	....
4 90 days to 1 year	5¾	1/1/80	5½	7/1/73	6	1/1/80	5¾	(1)
5 1 to 2 years [7]	6	7/1/73	5½	1/21/70	6½	(1)	5¾	1/21/70
6 2 to 2½ years [7]			5¾	1/21/70			6	1/21/70
7 2½ to 4 years [7]	6½	7/1/73	5¾	1/21/70	6¾	(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	7¼	11/1/73	7¾	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 (H.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
Special variable ceiling rates by maturity								
13 91-day time deposits [13]	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)
14 6-month money market time deposits [14]	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)
15 12-month all savers certificates [15]	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
16 2½ years to less than 3½ years [16]	(16)	(16)	(17)	(17)	(16)	(16)	(17)	(17)
Accounts with no ceiling rates								
17 Individual retirement accounts and Keogh (H.R. 10) plans (18 months or more) [18]	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
18 3½ years or more time deposits [19]	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)

1. July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loans.

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, 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 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 to 14 days at mutual savings banks.

5. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 to 14 days at 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, the minimum denomination was $1,000 except for deposits representing funds contributed to an individual retirement account (IRA) or a Keogh (H.R. 10) plan established pursuant to the Internal Revenue Code. The $1,000 minimum requirement was removed for such accounts in December 1975 and November 1976 respectively.

9. Between July 1, 1973, and Oct. 31, 1973, certificates maturing in 4 years or more with minimum denominations of $1,000 had no ceiling; 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 Jan. 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. Effective May 1, 1982, depository institutions were authorized to offer time deposits that have a minimum denomination of $7,500 and a maturity of 91 days. The ceiling rate of interest on these deposits is indexed to the discount rate (auction average) on most recently issued 91-day Treasury bills for thrift institutions and the discount rate minus 25 basis points for commercial banks. The rate differential ends 1 year from the effective date of these instruments and is suspended at any time the Treasury bill discount rate is 9% or below for four consecutive auctions. The maximum allowable rates in May (in percent) for commercial banks were as follows: May 1, 12.219; May 4, 12.425; May 11, 11.998; May 18, 11.939, May 25, 11.23, May 29, 11.27; and for thrift institutions May 1, 12.469; May 4, 12.675, May 11, 12.248; May 18, 12.189, May 25, 11.48, May 29, 11.52.

14. Commercial banks and thrift institutions were authorized to offer money market time deposits effective June 1, 1978. These deposits have a minimum denomination requirement of $10,000 and a maturity of 26 weeks. The ceiling rate of interest on these deposits is indexed to the discount rate (auction average) on most recently issued 26-week U.S. Treasury bills. Interest on these certificates may not be compounded. Effective for all 6-month money market certificates issued beginning Nov. 1, 1981, depository institutions may pay rates of interest on these deposits indexed to the higher of (1) the rate for 26-week Treasury bills established immediately before the date of deposit (bill rate) or (2) the average of the four rates for 26-week Treasury bills established for the 4 weeks immediately before the date of deposit (4-week average bill rate). Ceilings are determined as follows:

Bill rate or 4-week average bill rate	*Commercial bank ceiling*
7.50 percent or below	7.75 percent
Above 7.50 percent	¼ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate
	Thrift ceiling
7.25 percent or below	7.75 percent
Above 7.25 percent, but below 8.50 percent	½ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate
8.50 percent or above, but below 8.75 percent	9 percent
8.75 percent or above	¼ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate

The maximum allowable rates in May for commercial banks and thrifts based on the bill rate were as follows: May 4, 13.03; May 11, 12.486, May 18, 12.437, May 25, 11.927; May 29, 11.839. The maximum allowable rates in May for commercial banks and thrifts based on the 4-week average bill rate were as follows: May 4, 13.009; May 11, 12.843; May 18, 12.71, May 25, 12.47; May 29, 12.172.

15. Effective Oct. 1, 1981, depository institutions are authorized to issue all savers certificates (ASCs) with a 1-year maturity and an annual investment yield equal to 70 percent of the average investment yield for 52-week U.S. Treasury bills as determined by the auction of 52-week Treasury bills held immediately before the calendar week in which the certificate is issued. A maximum less than 9.50 percent, commercial banks may pay lifetime exclusion of $1,000 ($2,000 on a joint return) from gross income is generally authorized for interest income from ASCs. The annual investment yields for ASCs issued in May (in percent) were as follows: May 16, 9.87.

16. Effective Aug. 1, 1981, commercial banks may pay interest on any variable ceiling nonnegotiable time deposit with an original maturity of 2½ years to less than 4 years at a rate not to exceed ¼ of 1 percent below the average 2½-year yield for U.S. Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. Effective May 1, 1982, the maximum maturity for this category of deposits was reduced to less than 3½ years. Thrift institutions may pay interest on these certificates at a rate not to exceed the average 2½-year yield for Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. If the announced average 2½-year yield for Treasury securities is 9.25 percent and thrift institutions 9.50 percent for these deposits. These deposits have no required minimum denomination, and interest may be compounded on them. The ceiling rates of interest at which they may be offered vary biweekly. The maximum allowable rates in May (in percent) for commercial banks were as follows: May 11, 13.6; May 25, 13.4; and for thrifts: May 11, 13.85; May 25, 13.65.

17. Between Jan. 1, 1980, and Aug. 1, 1981, commercial banks, and thrifts were authorized to offer variable ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2½ years or more. Effective Jan. 1, 1980, the maximum rate for commercial banks was ¾ percentage point below the average yield on 2½-year U.S. Treasury securities; the ceiling rate for thrifts was 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 and 12 percent on these accounts at savings and loans. Effective June 2, 1980, the ceiling rates for these deposits at commercial banks and savings and loans was increased ½ percentage point. The temporary ceiling was retained, and a minimum ceiling of 9.25 percent for commercial banks and 9.50 percent for thrifts was established.

NOTES are continued on opposite page.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1979	1980	1981	1981			1982			
				Oct	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	15,998	7,668	13,899	241	1,765	2,170	0	1,017	474	4,149
2 Gross sales	6,855	7,331	6,746	1,157	0	0	2,756	868	995	0
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	2,900	3,389	1,816	200	16	0	600	0	600	0
Others within 1 year[1]										
5 Gross purchases	3,203	912	317	0	0	80	0	20	0	132
6 Gross sales	0	0	23	0	0	0	0	0	0	0
7 Maturity shift	17,339	12,427	13,794	425	1,389	887	542	2,633	900	333
8 Exchange	11,308	-18,251	-12,869	0	-3,047	-754	0	-940	-1,479	-525
9 Redemptions	2,600	0	0	0	0	0	0	0	0	0
1 to 5 years										
10 Gross purchases	2,148	2,138	1,702	0	100	526	0	50	0	570
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	-12,693	-8,909	-10,299	-425	-1,057	-887	-542	-974	-900	-333
13 Exchange	7,508	13,412	10,117	0	2,325	754	0	765	1,479	525
5 to 10 years										
14 Gross purchases	523	703	393	0	0	165	0	0	0	81
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Maturity shift	-4,646	-3,092	3,495	0	-332	0	0	1,659	0	0
17 Exchange	2,181	2,970	1,500	0	400	0	0	100	0	0
Over 10 years										
18 Gross purchases	454	811	379	0	0	108	0	0	0	52
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	0	426	0	0	0	0	0	0	0	0
21 Exchange	1,619	1,869	1,253	0	322	0	0	75	0	0
All maturities[1]										
22 Gross purchases	22,325	12,232	16,690	241	1,865	3,049	0	1,087	474	4,984
23 Gross sales	6,855	7,331	6,769	1,157	0	0	2,756	868	995	0
24 Redemptions	5,500	3,389	1,816	200	16	0	600	0	600	0
Matched transactions										
25 Gross sales	627,350	674,000	589,312	58,581	42,012	54,098	51,132	28,033	38,946	44,748
26 Gross purchases	624,192	675,496	589,647	58,372	41,900	54,044	51,717	28,258	38,650	44,759
Repurchase agreements										
27 Gross purchases	107,051	113,902	79,920	3,902	9,505	14,180	12,962	18,656	8,595	18,396
28 Gross sales	106,968	113,040	78,733	3,902	7,709	12,760	12,914	21,919	6,998	14,724
29 Net change in U.S. government securities	6,896	3,869	9,626	1,325	3,534	4,415	-2,724	-2,820	179	8,667
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	853	668	494	0	494	0	0	0	0	0
31 Gross sales	399	0	0	0	0	0	0	0	0	0
32 Redemptions	134	145	108	15	10	4	68	32	13	5
Repurchase agreements										
33 Gross purchases	37,321	28,895	13,320	787	1,607	1,647	800	872	554	2,033
34 Gross sales	36,960	28,863	13,576	787	1,288	1,697	935	1,006	471	1,119
35 Net change in federal agency obligations	681	555	130	-15	802	-54	-203	-166	70	909
BANKERS ACCEPTANCES										
36 Repurchase agreements, net	116	73	-582	0	744	-549	402	-597	488	280
37 **Total net change in System Open Market Account**	**7,693**	**4,497**	**9,175**	**-1,340**	**5,080**	**3,812**	**-2,524**	**-3,583**	**737**	**9,856**

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 1982					End of month 1982		
	Apr. 28	May 5	May 12	May 19	May 26	Mar.	Apr.	May
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,150	11,149	11,149	11,149	11,149	11,150	11,149	11,149
2 Special drawing rights certificate account	3,818	3,818	3,818	3,818	3,818	3,568	3,818	3,818
3 Coin	403	396	393	397	393	432	411	386
Loans								
4 To depository institutions	6,180	1,251	1,757	1,058	1,367	2,646	1,799	1,058
5 Other	0	0	0	0	0	0	0	0
Acceptances								
6 Held under repurchase agreements	192	0	0	944	0	488	768	0
Federal agency obligations								
7 Bought outright	9,008	9,008	9,008	9,008	9,008	9,013	9,008	9,008
8 Held under repurchase agreements	348	0	0	417	0	82	996	0
U.S. government securities								
Bought outright								
9 Bills	49,687	49,948	50,561	49,074	49,481	45,543	49,704	50,123
10 Notes	60,389	61,143	61,143	61,143	61,143	60,359	61,143	61,143
11 Bonds	18,090	18,141	18,141	18,141	18,141	18,090	18,141	18,141
12 *Total*[1]	*128,166*	*129,232*	*129,845*	*128,358*	*128,765*	*123,992*	*128,988*	*129,407*
13 Held under repurchase agreements	2,205	0	0	2,933	0	1,597	5,269	0
14 Total U.S. government securities	130,371	129,232	129,845	131,291	128,765	125,589	134,257	129,407
15 **Total loans and securities**	**146,099**	**139,491**	**140,610**	**142,718**	**139,140**	**137,818**	**146,828**	**139,473**
16 Cash items in process of collection	9,427	9,102	8,564	7,599	6,977	7,989	8,449	8,033
17 Bank premises	515	514	515	516	518	510	514	518
Other assets								
18 Denominated in foreign currencies[2]	4,981	5,109	4,782	4,790	4,794	4,953	5,591	4,880
19 All other[3]	4,236	4,121	4,357	3,288	3,145	3,566	4,289	3,237
20 **Total assets**	**180,629**	**173,700**	**174,188**	**174,275**	**169,934**	**169,986**	**181,049**	**171,494**
LIABILITIES								
21 Federal Reserve notes	130,500	131,386	132,511	132,165	132,619	128,855	130,189	132,619
Deposits								
22 Depository institutions	26,673	25,892	26,954	26,978	23,082	26,357	24,702	23,463
23 U.S. Treasury—General account	10,869	4,354	3,051	3,697	2,969	2,866	12,239	2,540
24 Foreign—Official accounts	264	283	227	241	272	421	966	308
25 Other	484	510	541	507	545	425	450	523
26 **Total deposits**	**38,290**	**31,039**	**30,773**	**31,423**	**26,868**	**30,069**	**38,357**	**26,834**
27 Deferred availability cash items	6,557	6,129	5,862	5,591	5,329	6,107	6,942	6,257
28 Other liabilities and accrued dividends[4]	2,374	2,149	2,121	2,174	2,184	2,155	2,497	2,643
29 **Total liabilities**	**177,721**	**170,703**	**171,267**	**171,353**	**167,000**	**167,186**	**177,985**	**168,353**
CAPITAL ACCOUNTS								
30 Capital paid in	1,308	1,307	1,309	1,315	1,316	1,298	1,308	1,316
31 Surplus	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278
32 Other capital accounts	322	412	334	329	340	224	478	547
33 **Total liabilities and capital accounts**	**180,629**	**173,700**	**174,188**	**174,275**	**169,934**	**169,986**	**181,049**	**171,494**
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account	90,775	91,410	90,529	91,892	90,885	92,825	90,609	91,025
	Federal Reserve note statement							
35 Federal Reserve notes outstanding (issued to bank)	152,898	152,768	152,760	152,894	153,095	152,039	152,734	152,932
36 LESS: Held by bank[5]	22,398	21,382	20,249	20,729	20,476	23,184	22,545	20,313
37 Federal Reserve notes, net	130,500	131,386	132,511	132,165	132,619	128,855	130,189	132,619
Collateral for Federal Reserve notes								
38 Gold certificate account	11,150	11,149	11,149	11,149	11,149	11,150	11,149	11,149
39 Special drawing rights certificate account	3,818	3,818	3,818	3,818	3,818	3,568	3,818	3,818
40 Other eligible assets	0	0	0	0	0	64	0	0
41 U.S. government and agency securities	115,532	116,419	117,544	117,198	117,652	114,073	115,222	117,652
42 **Total collateral**	**130,500**	**131,386**	**132,511**	**132,165**	**132,619**	**128,855**	**130,189**	**132,619**

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 special investment account at Chicago of Treasury bills maturing within 90 days.

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday 1982					End of month 1982		
	Apr. 28	May 5	May 12	May 19	May 26	Mar. 31	Apr. 30	May 28
1 Loans—Total	6,180	1,251	1,757	1,058	1,367	2,646	1,799	1,058
2 Within 15 days	6,140	1,104	1,596	1,043	1,342	2,552	1,704	1,010
3 16 days to 90 days	40	147	161	15	25	94	95	48
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	192	0	0	944	0	488	768	0
6 Within 15 days	192	0	0	944	0	488	768	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	130,371	129,232	129,845	131,291	128,765	125,589	134,257	129,407
10 Within 15 days[1]	6,451	8,036	8,903	7,638	4,273	3,889	9,832	3,090
11 16 days to 90 days	27,186	24,162	23,869	27,230	26,955	25,506	26,284	28,912
12 91 days to 1 year	33,915	33,335	33,374	31,156	32,270	33,389	34,442	32,138
13 Over 1 year to 5 years	35,918	36,665	36,665	37,790	37,790	35,903	36,665	37,790
14 Over 5 years to 10 years	10,192	10,274	10,274	10,717	10,717	10,193	10,274	10,717
15 Over 10 years	16,709	16,760	16,760	16,760	16,760	16,709	16,760	16,760
16 Federal agency obligations—Total	9,356	9,008	9,008	9,425	9,008	9,095	10,004	9,008
17 Within 15 days[1]	433	0	140	616	105	326	1,082	105
18 16 days to 90 days	465	593	499	440	394	400	465	510
19 91 days to 1 year	1,592	1,549	1,628	1,628	1,661	1,460	1,591	1,545
20 Over 1 year to 5 years	5,413	5,413	5,288	5,288	5,387	5,444	5,413	5,387
21 Over 5 years to 10 years	919	919	919	919	927	934	919	927
22 Over 10 years	534	534	534	534	534	531	534	534

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	1978	1979	1980	1981	1982			
				Dec	Jan	Feb.	Mar.	Apr.
	Debits to demand deposits[1] (seasonally adjusted)							
1 All commercial banks	40,297.8	49,775.0	63,013.4	86,430.0	83,804.4	85,274.3	83,617.4	83,404.1
2 Major New York City banks	15,008.7	18,512.7	25,192.5	34,937.3	35,117.6	35,983.8	34,218.3	35,238.0
3 Other banks	25,289.1	31,262.3	37,820.9	51,492.7	48,686.8	49,290.5	49,399.1	48,166.1
	Debits to savings deposits[2] (not seasonally adjusted)							
4 ATS/NOW[3]	17.1	83.3	158.4	903.5	934.7	836.7	935.4	1,072.5
5 Business[4]	56.7	77.3	93.4	117.9	104.4	95.2	115.4	103.0
6 Others[5]	359.7	515.2	605.3	597.0	636.8	534.8	586.9	609.6
7 All accounts	432.9	675.8	857.2	1,618.4	1,675.8	1,466.7	1,637.6	1,785.1
	Demand deposit turnover[1] (seasonally adjusted)							
8 All commercial banks	139.4	163.5	201.6	309.2	293.4	307.1	304.7	301.3
9 Major New York City banks	541.9	646.2	813.7	1,156.8	1,129.0	1,252.1	1,211.7	1,255.3
10 Other banks	96.8	113.3	134.3	206.6	191.2	198.0	200.7	193.7
	Savings deposit turnover[2] (not seasonally adjusted)							
11 ATS/NOW[3]	7.0	7.8	9.7	14.6	14.3	13.0	14.2	15.4
12 Business[4]	5.1	7.2	9.3	13.9	12.5	12.1	14.6	13.2
13 Others[5]	1.7	2.7	3.4	4.0	4.2	3.6	3.9	4.0
14 All accounts	1.9	3.1	4.2	7.4	7.5	6.6	7.3	7.8

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, 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	1978 Dec.	1979 Dec.	1980 Dec.	1981 Dec.	1982 Jan.	1982 Feb.	1982 Mar.	1982 Apr.
	Seasonally adjusted							
MEASURES[1]								
1 M1	363.2	389.0	414.5	440.9	448.6	447.3	448.2	452.3
2 M2	1,403.9	1,518.9	1,656.1	1,822.4	1,840.9	1,847.5	1,864.8r	1,879.7
3 M3	1,629.0	1,779.3	1,963.1	2,187.8	2,204.0r	2,214.6r	2,235.5r	2,256.6
4 L[2]	1,938.9	2,153.9	2,370.4	2,640.9r	2,658.6	n.a.	n.a.	n.a.
SELECTED COMPONENTS								
5 Currency	97.4	106.1	116.2	123.1	123.8	124.6	125.1	126.3
6 Traveler's checks[3]	3.5	3.7	4.2	4.3	4.3	4.3	4.4	4.4
7 Demand deposits	253.9	262.2	267.2	236.4	239 3	234.5	233.0	233.0
8 Other checkable deposits[7]	8.4	16.9	26.9	77.0	81.1	83.8	85.7	88.6
9 Savings deposits[4]	479.9	421.7	398.9	343.6	348.8	348.6	350.7	350.5
10 Small-denomination time deposits[5]	533.9	652.6	751.7	854.7	852.3	859.5	870.1	881.6
11 Large-denomination time deposits[6]	194.6	221.8	257.9	300.4	302.7	308.1r	312.2	315.9
	Not seasonally adjusted							
MEASURES[1]								
12 M1	372.5	398.8	424.6	451.2	453.4	437.1	440.0	455.4
13 M2	1,408.5	1,524.6	1,662.4	1,829.1	1,848.8	1,842.4	1,861.5	1,886.9
14 M3	1,637.5	1,789.2	1,973.8	2,199.6	2,216.8	2,215.6r	2,237.1r	2,264.6
15 L[2]	1,946.6	2,162.8	2,380.2	2,651.9r	2,673.1	n.a.	n.a.	n.a.
SELECTED COMPONENTS								
16 Currency	99.4	108.2	118.3	125.4	123.3	123.0	123.8	125.6
17 Traveler's checks[3]	3.3	3.5	3.9	4.1	4.1	4.1	4.2	4.2
18 Demand deposits	261.5	270.1	275.1	243.3	243.6	228.5	228.2	236.1
19 Other checkable deposits[7]	8.4	17.0	27.2	78.4	82.5	81.4	83.8	89.5
20 Overnight RPs and Eurodollars[8]	24.1	26.3	35.0	38.1	43.3	43.0	43.3	40.6
21 Savings deposits[4]	478.0	420.5	398.0	343.0	346.8	344.5	346.1	348.1
22 Small-denomination time deposits[5]	531.1	649.7	748.9	851.7	857.5r	868.5	879.7	888.1
Money market mutual funds								
23 General purpose and broker/dealer	7.1	34.3	61.8	150.8	154.4	155.4	158.4	160.7
24 Institution only	3.1	9.3	13.9	33.7	32.5	30.5	31.5	31.5
25 Large-denomination time deposits[6]	198.6	226.0	262.3	305.5	307.6	314.3r	317.1r	316.6

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

M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) traveler's checks of non-bank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2: M1 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 balances of money market mutual funds (general purpose and broker/dealer).

M3: M2 plus large-denomination time deposits at all depository institutions, term RPs at commercial banks and savings and loan associations, and balances of institution-only money market mutual funds.

2. 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.

3. Outstanding amount of U.S. dollar-denominated traveler's checks of nonbank issuers.

4. Savings deposits exclude NOW and ATS accounts at commercial banks and thrift institutions and CUSDs at credit unions.

5. Small-denomination time deposits—including retail RPs—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 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.

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

8. Overnight (and continuing contract) RPs are those issued by commercial banks to other than depository institutions and money market mutual funds (general purpose and broker/dealer), and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. residents other than depository institutions and money market mutual funds (general purpose and broker/dealer).

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, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.22 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE[1]

Billions of dollars, averages of daily figures

Item	1978 Dec.	1979 Dec.	1980 Dec.	1981 July	1981 Aug.	1981 Sept.	1981 Oct.	1981 Nov.	1981 Dec.	1982 Jan.	1982 Feb.	1982 Mar.	1982 Apr.
	Seasonally adjusted												
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]													
1 **Total reserves[3]**	**35.08**	**36.37**	**39.01**	**39.73**	**39.81**	**40.31**	**40.12**	**40.15**	**40.53**	**41.28**	**40.93**	**41.09**	**41.18**
2 Nonborrowed reserves	34.22	34.90	37.32	38.05	38.39	38.86	38.94	39.49	39.89	39.76	39.14	39.53	39.61
3 Required reserves	34.85	36.04	38.49	39.39	39.52	39.90	39.84	39.81	40.21	40.86	40.62	40.73	40.91
4 Monetary base[4]	134.7	145.0	158.0	162.5	162 9	163.7	163.8	164.3	165.8	167.4	167.9	168.5	169.8
	Not seasonally adjusted												
5 **Total reserves[3]**	**35.66**	**36.97**	**39.70**	**39.64**	**39.48**	**40.09**	**40.22**	**40.33**	**41.26**	**42.70**	**40.74**	**40.53**	**41.09**
6 Nonborrowed reserves	34.80	35.50	38.01	37.96	38.06	38.63	39.04	39.67	40.63	41.18	38.95	38.98	39.52
7 Required reserves	35.43	36.65	39.19	39.30	39.19	39.67	39.94	39.99	40.94	42.28	40.44	40.18	40.81
8 Monetary base[4]	137.4	147.9	161.0	163 3	163.2	163 3	163.8	165.6	168.9	168.5	166.1	166.5	168.9
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[5]													
9 **Total reserves[3]**	**41.68**	**43.91**	**40.66**	**41.01**	**41.02**	**40.59**	**40.71**	**40.95**	**41.92**	**43.20**	**41.29**	**39.23**	**39.56**
10 Nonborrowed reserves	40.81	42.43	38.97	39.33	39.60	39 13	39.53	40.29	41.29	41.69	39.50	37.68	37.99
11 Required reserves	41.45	43.58	40.15	40.67	40.73	40.18	40.43	40.60	41.60	42.78	40.98	38.88	39.28
12 Monetary base[4]	144 6	156.2	162.4	165.4	165.4	163 9	164.3	166 3	169.7	169 1	166.8	165.4	167.6

1. Reserve measures from November 1980 to date reflect a one-time increase estimated at $550 million to $600 million—in required reserves associated with the reduction of week-end avoidance activities of a few large banks.

2. Reserve aggregates include required reserves of member banks and Edge Act corporations and other depository institutions. Discontinuities associated with the implementation of the Monetary Control Act, the inclusion of Edge Act corporation reserves, and other changes in Regulation D have been removed.

3. Reserve balances with Federal Reserve Banks (which exclude required clearing balances) plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

4. Includes reserve balances and required clearing 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. Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustments to eliminate the effect of changes in Regulation D, including changes associated with the implementation of the Monetary Control Act. Includes required reserves of member banks and Edge Act corporations and, beginning Nov. 13, 1980, other depository institutions. Under the transitional phase-in program of the Monetary Control Act of 1980, the net changes in required reserves of depository institutions have been as follows: effective Nov. 13, 1980, a reduction of $2 8 billion; Feb. 12, 1981, an increase of $245 million; Mar. 12, 1981, an increase of $75 million; May 14, 1981, an increase of $245 million; Aug. 13, 1981, an increase of $245 million; Sept 3, 1981, a reduction of $1.3 billion; and Nov. 19, 1981, an increase of $220 million.

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, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars; averages of Wednesday figures

Category	1981 Dec.[2]	1982 Jan.[2]	1982 Feb.[2]	1982 Mar.[2]	1982 Apr.[2]	1981 Dec.[2]	1982 Jan.[2]	1982 Feb.[2]	1982 Mar.[2]	1982 Apr.[2]
	Seasonally adjusted					Not seasonally adjusted				
1 **Total loans and securities[3]**	**1,316.3**	**1,320.1**	**1,332.4[4]**	**1,342.2[5]**	**1,352.3**	**1,326.1**	**1,322.6**	**1,328.2[4]**	**1,337.0[5]**	**1,351.1**
2 U.S. Treasury securities	111.0	114.1	115.1[4]	114.4[5]	116.6	111.4	113.6	115.6[4]	116.1[5]	118.7
3 Other securities	231.4	231.5	232.0[4]	233.1[5]	234.0	232.8	231.7	231.5[4]	232.6[5]	234.0
4 Total loans and leases[3]	973.9	974.5	985.2[4]	994.8[5]	1,001.7	981.8	977.3	981.1[4]	988.4[5]	998.4
5 Commercial and industrial loans	358.0	360.3	365.6	369.7	372.8	360.1	360.1	364.2	368.8	375.0
6 Real estate loans	285.7	287.5	289.8[4]	292.3[5]	293.9	286.6	288.1	289.6[4]	291.5[5]	293.0
7 Loans to individuals	185.1	185.7	185.7	186.4	186.9	186.4	186.3	185.1	184.7	185.5
8 Security loans	21.9	20.6	20.8	20.9	20.9	22.7	20.8	20.1	20.3	20.9
9 Loans to nonbank financial institutions	30.2	31.1	31.4	32.7	33.3	31.2	31.2	31.5	32.2	33.0
10 Agricultural loans	33.0	33.3	33.8	34.3	34.4	33.0	33.1	33.3	33.6	33.8
11 Lease financing receivables	12.7	13.0	13.1	13.1	13.1	12.7	13.0	13.1	13.1	13.1
12 All other loans	47.2	43.0	45.0	45.3	46.5	49.2	44.8	44.1	44.2	44.1
MEMO:										
13 **Total loans and securities plus loans sold[3,6]**	**1,319.1**	**1,323.0**	**1,335.2[4]**	**1,345.1[5]**	**1,355.1**	**1,328.9**	**1,325.5**	**1,331.0[4]**	**1,339.9[5]**	**1,353.9**
14 Total loans plus loans sold[3,6]	976.7	977.4	988.1[4]	997.6[5]	1,004.6	984.7	980.2	983.9[4]	991.2[5]	1,001.3
15 Total loans sold to affiliates[6]	2.8	2.9	2.8	2.8	2.9	2.8	2.9	2.8	2.8	2.9
16 Commercial and industrial loans plus loans sold[6]	360.2	362.5	367.8	371.9	375.1	362.3	362.3	366.5	371.0	377.2
17 Commercial and industrial loans sold[6]	2.2	2.2	2.2	2.2	2.3	2.2	2.2	2.2	2.2	2.3
18 Acceptances held	8.9	8.7	8.9	9.6	10.3	9.8	9.1	9.1	9.3	9.5
19 Other commercial and industrial loans	349.1	351.6	356.6	360.1	362.5	350.3	351.0	355.2	359.5	365.4
20 To U.S. addressees[7]	334.9	339.5	344.1	347.4	350.0	334.3	338.3	342.6	346.9	352.8
21 To non-U.S. addressees	14.2	12.0	12.5	12.6	12.6	16.1	12.7	12.6	12.6	12.7
22 Loans to foreign banks	19.0	15.4	16.6	16.1	15.2	20.0	16.1	16.2	15.7	14.7

1. Includes domestically chartered banks; U.S. branches and agencies of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.
2. Beginning December 1981, shifts of foreign loans and securities from U.S. banking offices to international banking facilities (IBFs) reduced the levels of several items. Seasonally adjusted data that include adjustments for the amounts shifted from domestic offices to IBFs are available in the Board's G.7 (407) statistical release (available from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551).
3. Excludes loans to commercial banks in the United States.
4. The merger of a commercial bank with a mutual savings bank beginning Feb. 24, 1982, increased total loans and securities $1.0 billion, U.S. Treasury securities, $0.1 billion; other securities, $0.1 billion; total loans and leases, $0.8 billion; and real estate loans, $0.7 billion.
5. The merger of a commercial bank with a mutual savings bank beginning Mar. 17, 1982, increased total loans and securities $0.6 billion; U.S. Treasury securities, $0.1 billion; other securities $0.1 billion; total loans and leases, $0.4 billion; and real estate loans, $0.4 billion.
6. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
7. United States includes the 50 states and the District of Columbia.

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

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	1980 Dec.	1981 June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1982 Jan.	Feb.	Mar.	Apr.
Total nondeposit funds												
1 Seasonally adjusted[2]	121.9	124.1	122.7	123.3	119.8	116.3	116.2	98.7	89.5	87.8	83.5	83.3
2 Not seasonally adjusted	122.5	126.0	124.6	127.4	125.0	118.3	120.8	99.1	87.9	88.1	84.3	84.0
Federal funds, RPs, and other borrowings from nonbanks[3]												
3 Seasonally adjusted	111.0	115.3	113.8	110.5	108.2	109.1	110.1	114.4	116.2	113.7	113.5	112.9
4 Not seasonally adjusted	111.6	117.2	115.7	114.6	113.3	111.1	114.7	114.8	114.6	114.0	114.3	113.6
5 Net balances due to foreign-related institutions, not seasonally adjusted	8.2	5.9	6.2	10.1	8.9	4.5	3.4	−18.5	−29.6	−28.8	−32.9	−32.5
6 Loans sold to affiliates, not seasonally adjusted[4]	2.7	2.9	2.7	2.6	2.7	2.7	2.7	2.8	2.9	2.8	2.8	2.9
MEMO												
7 Domestically chartered banks net positions with own foreign branches, not seasonally adjusted[5]	−14.7	−14.6	−14.6	−10.2	−12.3	−15.4	−14.9	−22.4	−27.1	−26.1	−29.0	−29.8
8 Gross due from balances	37.5	42.5	45.0	43.7	44.5	45.5	47.9	54.9	57.1	57.2	59.2	59.9
9 Gross due to balances	22.8	27.8	30.4	33.5	32.2	30.1	32.9	32.5	30.0	31.1	30.1	30.1
10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted[6]	22.9	20.6	20.8	20.4	21.2	19.9	18.4	3.9	−2.5	−2.7	−3.8	−2.7
11 Gross due from balances	32.5	36.9	37.4	38.0	40.1	38.3	39.1	48.1	50.0	50.5	50.0	49.1
12 Gross due to balances	55.4	57.4	58.2	58.4	61.3	58.2	57.4	52.0	47.5	47.8	46.2	46.4
Security RP borrowings												
13 Seasonally adjusted[7]	64.0	70.8	69.2	65.7	63.0	64.9	65.0	70.0	73.0	71.0	71.4	71.9
14 Not seasonally adjusted	62.3	70.5	68.9	67.6	65.9	64.7	67.3	68.2	69.2	69.1	70.0	70.4
U.S. Treasury demand balances[8]												
15 Seasonally adjusted	9.5	11.4	10.9	8.3	9.3	11.1	12.1	11.8	13.5	22.2	17.5	13.6
16 Not seasonally adjusted	9.0	12.5	10.8	7.5	10.9	13.3	9.7	11.3	14.5	20.1	15.6	13.8
Time deposits, $100,000 or more[9]												
17 Seasonally adjusted	267.0	302.4	313.1	321.7	324.7	324.8	323.4	324.0	324.3	327.2	331.9	334.4
18 Not seasonally adjusted	272.4	298.2	304.7	314.8	320.2	322.6	324.6	330.3	330.6	335.3	337.2	335.6

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

NOTE. Beginning December 1981, shifts of foreign assets and liabilities from U.S. banking offices to international banking facilities (IBFs) reduced levels for several items as follows: lines 1 and 2, $22.4 billion; lines 3 and 4, $1.7 billion; line 5, $20.7 billion; line 7, $3.1 billion; and line 10, $17.6 billion. For January 1982, levels were reduced as follows: lines 1 and 2, $29.6 billion; lines 3 and 4, $2.4 billion; line 5, $27.2 billion; line 7, $4.7 billion; and line 10, $22.4 billion.

For January 1982, levels were reduced as follows: lines 1 and 2, $29.6 billion; lines 3 and 4, $2.4 billion; line 5, $27.2 billion; line 7, $4.7 billion; and line 10, $22.4 billion.

For February 1982 the levels were reduced as follows: lines 1 and 2, $30.3 billion; lines 3 and 4, $2.4 billion; line 5, $27.9 billion; line 7, $4.8 billion; and line 10, $23.1 billion. For March the levels were reduced as follows: lines 1 and 2, $30.8 billion; lines 3 and 4, $2.4 billion; line 5, $28.4 billion; line 7, $4.8 billion and line 10, $23.6 billion. For April the levels were reduced as follows: lines 1 and 2, $31.3 billion; lines 3 and 4, $2.4 billion; line 5, $28.9 billion; line 7, $4.9 billion; and line 10, $23.9 billion.

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

Billions of dollars except for number of banks

Account	1981 July	Aug.	Sept	Oct.	Nov.	Dec.r	1982 Jan.r	Feb.r	Mar.r	Apr.r	May
Domestically Chartered Commercial Banks[1]											
1 Loans and securities, excluding interbank	1,214.1	1,221.3	1,242.5	1,239.9	1,249.4	1,267.4	1,261.2	1,271.2	1,285.8	1,292.6	1,300.7
2 Loans, excluding interbank	881.2	888.7	906.2	902.9	912.8	926.4	920.1	929.1	939.9	947.2	954.3
3 Commercial and industrial	298.3	301.2	308.5	308.5	312.6	320.3	321.0	325.6	332.4	336.7	342.0
4 Other	582.9	587.5	597.8	594.3	600.2	606.0	599.1	603.5	607.5	610.5	612.3
5 U.S. Treasury securities	113.1	111.3	109.4	110.0	106.7	109.8	111.5	112.3	114.5	113.0	111.5
6 Other securities	219.8	221.4	226.9	227.1	229.9	231.3	229.6	229.8	231.4	232.4	234.9
7 Cash assets, total	156.8	168.4	190.2	149.8	162.8	173.1	155.3	151.6	164.5	153.6	153.0
8 Currency and coin	19.5	20.0	19.2	19.7	18.3	22.0	19.8	19.7	18.9	19.9	20.0
9 Reserves with Federal Reserve Banks	27.0	25.4	26.8	25.3	26.1	28.0	30.2	24.8	25.7	25.5	21.7
10 Balances with depository institutions	52.7	61.4	68.9	49.3	52.0	54.5	50.3	51.0	55.9	52.4	54.9
11 Cash items in process of collection	57.6	61.6	75.4	55.5	66.4	68.6	55.0	56.1	64.0	55.8	56.3
12 Other assets[2]	162.8	168.3	184.5	175.5	194.4	211.2	197.0	201.9	219.3	206.6	209.8
13 Total assets/total liabilities and capital	**1,533.7**	**1,558.0**	**1,617.2**	**1,565.2**	**1,606.7**	**1,651.8**	**1,613.5**	**1,624.7**	**1,669.5**	**1,652.9**	**1,663.5**
14 Deposits	1,160.0	1,181.3	1,224.4	1,177.1	1,206.0	1,240.3	1,205.8	1,213.7	1,250.8	1,231.0	1,244.0
15 Demand	333.7	342.5	378.0	324.0	339.2	363.9	322.3	316.7	338.3	315.5	315.4
16 Savings	219.2	217.2	216.7	214.0	217.9	222.4	223.0	222.5	229.9	226.6	227.6
17 Time	607.2	621.6	629.7	639.1	648.9	654.0	660.5	674.4	682.6	688.9	701.0
18 Borrowings	160.4	164.4	176.9	174.5	179.3	190.2	191.9	191.0	196.4	201.1	195.0
19 Other liabilities	86.3	89.8	91.4	89.3	95.2	91.7	89.7	92.5	94.4	92.4	93.9
20 Residual (assets less liabilities)	127.0	122.5	124.4	124.3	126.2	129.6	126.1	127.5	128.0	128.4	130.6
Memo:											
21 U.S. Treasury note balances included in borrowing	7.2	6.4	15.3	13.9	5.6	13.6	16.7	17.1	10.9	16.6	7.1
22 Number of banks	14,719	14,720	14,720	14,740	14,743	14,744	14,690	14,702	14,709	14,710	14,722
All Commercial Banking Institutions[3]											
23 Loans and securities, excluding interbank	1,297.9	1,306.7	1,334.3	1,324.7	1,335.5	1,330.0	1,321.6	1,331.5	1,345.8	1,350.7	1,358.5
24 Loans, excluding interbank	960.8	969.8	993.8	983.6	994.7	984.5	975.8	984.4	995.1	1,000.6	1,007.5
25 Commercial and industrial	350.3	354.2	366.3	361.7	365.5	360.8	360.3	364.6	372.4	374.7	379.3
26 Other	610.4	615.6	627.5	621.9	629.2	623.7	615.5	619.7	622.7	625.8	628.3
27 U.S. Treasury securities	115.3	113.5	111.6	111.9	108.8	112.5	114.5	115.5	117.6	116.1	114.3
28 Other securities	221.8	223.4	228.9	229.2	232.0	233.0	231.4	231.6	233.1	234.1	236.6
29 Cash assets, total	187.8	205.2	234.5	165.4	179.3	188.1	170.0	165.8	178.8	168.1	167.7
30 Currency and coin	19.5	20.1	19.2	19.7	18.3	22.0	19.8	19.7	18.9	19.9	20.0
31 Reserves with Federal Reserve Banks	28.0	26.6	28.1	26.5	27.5	29.3	31.3	26.1	26.9	26.8	23.0
32 Balances with depository institutions	81.4	95.7	110.7	62.5	66.0	67.1	62.7	63.0	68.0	64.6	67.3
33 Cash items in process of collection	58.9	62.9	76.5	56.6	67.4	69.6	56.1	57.1	65.0	56.8	57.3
34 Other assets[2]	228.4	233.7	251.0	244.0	267.0	288.7	274.2	278.1	295.2	280.3	285.8
35 Total assets/total liabilities and capital	**1,714.1**	**1,745.6**	**1,819.8**	**1,734.0**	**1,781.7**	**1,806.8**	**1,765.8**	**1,775.5**	**1,819.9**	**1,799.1**	**1,812.0**
36 Deposits	1,221.5	1,250.3	1,293.7	1,224.6	1,254.1	1,288.7	1,251.5	1,258.3	1,295.0	1,272.7	1,286.1
37 Demand	362.4	378.3	412.2	337.1	352.6	377.7	335.1	329.4	350.8	327.9	327.9
38 Savings	219.5	217.5	216.9	214.3	218.1	222.6	223.2	222.8	230.2	226.9	227.8
39 Time	639.7	654.5	664.7	673.1	683.4	688.3	693.1	706.2	714.0	717.9	730.4
40 Borrowings	218.7	223.5	242.7	236.8	246.2	250.8	253.5	255.9	260.0	260.8	255.2
41 Other liabilities	145.0	147.4	157.0	146.4	153.3	135.6	132.8	131.8	135.0	135.3	138.1
42 Residual (assets less liabilities)	128.9	124.4	126.3	126.3	128.1	131.5	128.1	129.4	129.9	130.3	132.5
Memo:											
43 U.S. Treasury note balances included in borrowing	7.2	6.4	15.3	13.9	5.6	13.6	16.7	17.1	10.9	16.6	7.1
44 Number of banks	15,188	15,189	15,189	15,209	15,212	15,213	15,185	15,201	15,214	15,215	15,235

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

NOTE. Figures are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Data for domestically chartered commercial banks are for the last Wednesday of the month. Data for other banking institutions are for the last day of the quarter until June 1981; beginning July 1981, these data are estimates made on the last Wednesday of the month based on a weekly reporting sample of foreign-related institutions and quarter-end condition report data.

1.26 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $750 Million or More on December 31, 1977, Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1982								
	Mar 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28p	May 5p	May 12p	May 19p	May 26p
1 Cash items in process of collection	50,878	46,630	50,417	47,527	44,829	48,215	45,426	45,192	44,478
2 Demand deposits due from banks in the United States	6,878	6,705	6,621	6,496	6,454	6,416	6,224	6,425	6,554
3 All other cash and due from depository institutions	33,434	30,705	32,959	34,901	33,228	32,594	35,201	35,136	31,344
4 **Total loans and securities**	**611,738**	**621,229**	**617,531**	**614,297**	**610,585**	**623,485**	**616,115**	**612,546**	**614,891**
Securities									
5 U.S. Treasury securities	38,566	41,435	40,153	39,538	36,999	38,157	37,628	37,378	36,395
6 Trading account	8,221	10,154	9,099	9,458	7,451	8,110	8,518	8,195	7,076
7 Investment account, by maturity	30,345	31,282	31,054	30,080	29,548	30,047	29,110	29,183	29,319
8 One year or less	10,489	11,200	10,966	10,486	10,120	10,083	9,696	9,317	9,483
9 Over one through five years	17,622	17,677	17,696	17,335	17,291	17,804	17,260	17,545	17,519
10 Over five years	2,234	2,404	2,392	2,258	2,137	2,159	2,154	2,321	2,317
11 Other securities	79,254	80,242	79,391	79,218	78,769	80,907	79,222	79,114	80,968
12 Trading account	3,034	4,326	3,590	3,468	2,824	5,300	3,611	3,456	4,767
13 Investment account	76,220	75,916	75,800	75,750	75,944	75,607	75,612	75,657	76,201
14 U.S. government agencies	16,187	15,971	15,887	15,862	15,967	15,933	15,963	16,024	15,829
15 States and political subdivisions, by maturity	57,150	57,056	57,020	56,964	57,033	56,768	56,693	56,624	57,291
16 One year or less	8,038	7,797	7,810	7,856	7,847	7,787	7,696	7,679	8,262
17 Over one year	49,113	49,259	49,210	49,107	49,186	48,981	48,998	48,946	49,029
18 Other bonds, corporate stocks and securities	2,882	2,888	2,894	2,924	2,944	2,906	2,955	3,008	3,080
Loans									
19 Federal funds sold[1]	33,983	37,673	36,916	34,700	33,191	38,948	34,782	31,752	31,641
20 To commercial banks	23,612	26,229	26,338	22,816	21,800	27,661	24,376	22,030	21,256
21 To nonbank brokers and dealers in securities	8,173	8,750	7,920	9,326	8,588	8,363	7,477	7,133	7,625
22 To others	2,198	2,694	2,659	2,558	2,803	2,925	2,928	2,588	2,760
23 Other loans, gross	472,470	474,506	473,713	473,535	474,322	478,209	477,273	477,121	478,717
24 Commercial and industrial	202,720	204,395	203,825	204,872	204,731	207,842	207,426	207,485	208,256
25 Bankers acceptances and commercial paper	4,531	4,751	4,784	4,144	4,421	4,453	4,406	4,941	5,131
26 All other	198,190	199,644	199,041	200,728	200,310	203,389	203,021	202,544	203,125
27 U.S. addressees	191,668	193,022	192,453	194,020	193,550	196,854	196,353	195,917	196,391
28 Non-U.S. addressees	6,522	6,622	6,588	6,708	6,760	6,535	6,668	6,627	6,734
29 Real estate	127,319	127,410	127,844	128,171	128,538	128,506	128,709	128,907	128,959
30 To individuals for personal expenditures	71,780	71,660	71,726	72,010	72,100	72,090	71,771	71,780	71,777
To financial institutions									
31 Commercial banks in the United States	6,243	6,694	6,243	6,306	6,195	6,027	6,038	5,996	6,132
32 Banks in foreign countries	7,656	7,187	7,567	6,881	7,166	7,225	7,245	7,391	6,649
33 Sales finance, personal finance companies, etc	11,750	11,473	11,627	11,112	11,762	11,311	11,181	10,893	11,222
34 Other financial institutions	16,232	16,364	16,250	16,223	16,334	16,370	16,518	16,396	16,225
35 To nonbank brokers and dealers in securities	5,220	6,785	5,905	5,581	4,899	5,256	5,797	5,087	6,292
36 To others for purchasing and carrying securities[2]	2,562	2,574	2,592	2,545	2,585	2,592	2,666	2,602	2,592
37 To finance agricultural production	5,934	5,938	5,935	6,019	6,004	6,108	6,127	6,185	6,222
38 All other	15,052	14,025	14,198	13,814	14,006	14,882	13,794	14,399	14,390
39 LESS: Unearned income	5,800	5,860	5,876	5,891	5,889	5,843	5,868	5,896	5,901
40 Loan loss reserve	6,737	6,768	6,766	6,803	6,807	6,892	6,922	6,923	6,929
41 Other loans, net	459,934	461,878	461,071	460,841	461,626	465,473	464,482	464,302	465,887
42 Lease financing receivables	11,135	11,123	11,109	11,080	11,074	11,088	11,078	11,084	11,083
43 All other assets	113,265	112,802	108,474	109,529	108,919	112,974	113,309	112,072	109,263
44 **Total assets**	**827,328**	**829,195**	**827,112**	**823,830**	**815,089**	**834,772**	**827,353**	**822,456**	**817,613**
Deposits									
45 Demand deposits	172,924	171,473	170,656	164,172	157,940	166,522	160,003	162,126	158,255
46 Mutual savings banks	679	653	591	539	456	583	553	536	515
47 Individuals, partnerships, and corporations	131,882	130,178	130,531	125,500	120,484	124,032	122,148	121,654	119,970
48 States and political subdivisions	5,133	4,582	4,672	4,420	4,640	5,386	4,189	4,324	5,000
49 U.S. government	1,118	2,022	2,667	2,182	2,958	3,577	2,056	2,980	1,848
50 Commercial banks in the United States	19,712	19,720	18,235	17,569	16,143	18,514	17,102	17,971	17,725
51 Banks in foreign countries	6,391	6,111	6,152	6,175	6,316	6,768	6,590	6,755	6,365
52 Foreign governments and official institutions	1,040	1,036	925	1,018	883	1,085	1,013	933	1,043
53 Certified and officers' checks	6,968	7,171	6,882	6,768	6,058	6,577	6,352	6,972	5,788
54 Time and savings deposits	372,465	373,580	372,917	373,739	373,733	374,624	375,802	376,728	379,595
55 Savings	80,446	82,458	82,225	81,355	78,902	80,043	79,562	79,590	79,297
56 Individuals and nonprofit organizations	76,968	78,983	78,842	78,003	75,539	76,654	76,066	76,182	75,784
57 Partnerships and corporations operated for profit	2,885	2,873	2,831	2,798	2,807	2,807	2,812	2,776	2,796
58 Domestic governmental units	574	585	535	538	539	564	669	608	694
59 All other	19	17	18	16	16	16	15	24	22
60 Time	292,018	291,122	290,692	292,384	294,831	294,582	296,239	297,139	300,298
61 Individuals, partnerships, and corporations	255,503	254,843	254,070	255,514	257,536	257,534	258,670	259,904	262,526
62 States and political subdivisions	21,045	20,558	20,821	21,006	21,378	21,285	21,446	21,349	21,650
63 U.S. government	399	440	438	544	562	560	528	512	538
64 *Commercial banks in the United States*	*10,720*	10,854	*10,909*	10,946	11,023	10,821	11,063	10,789	10,948
65 Foreign governments, official institutions, and banks	4,351	4,427	4,454	4,374	4,332	4,382	4,531	4,585	4,636
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	1,421	1,575	3,664	2,135	4,408	356	858	175	464
67 Treasury tax-and-loan notes	8,080	2,782	2,489	12,034	12,432	12,125	11,214	5,150	4,687
68 All other liabilities for borrowed money[3]	142,150	151,712	150,449	143,783	138,479	151,922	150,598	148,351	144,730
69 Other liabilities and subordinated notes and debentures	74,809	72,439	71,282	72,516	72,797	73,440	72,892	74,214	74,035
70 **Total liabilities**	**771,848**	**773,562**	**771,458**	**768,379**	**759,788**	**778,990**	**771,368**	**766,744**	**761,766**
71 Residual (total assets minus total liabilities)[4]	55,480	55,632	55,654	55,451	55,301	55,781	55,985	55,711	55,847

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

NOTE. Beginning in the week ending Dec. 9, 1981, shifts of assets and liabilities to international banking facilities (IBFs) reduced the amounts reported in some items, especially in loans to foreigners and to a lesser extent in time deposits. Based on preliminary reports, the large weekly reporting banks shifted $4.7 billion of assets to their IBFs in the five weeks ending Jan. 13, 1982. Domestic offices net positions with IBFs are now included in net due from or net due to related institutions. More detail will be available later.

1.27 LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $1 Billion or More on December 31, 1977, Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1982								
	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28p	May 5p	May 12p	May 19p	May 26p
1 Cash items in process of collection	48,016	43,798	47,316	44,445	41,721	45,342	42,782	42,580	41,821
2 Demand deposits due from banks in the United States	6,194	6,082	6,042	5,862	5,852	5,763	5,616	5,807	5,862
3 All other cash and due from depository institutions	30,751	28,659	30,505	32,387	30,617	30,141	32,793	32,490	28,720
4 Total loans and securities	**572,571**	**581,215**	**578,237**	**574,968**	**571,939**	**583,854**	**576,792**	**573,682**	**576,225**
Securities									
5 U.S. Treasury securities	35,462	38,313	37,115	36,549	34,024	35,205	34,637	34,438	33,470
6 Trading account	8,075	10,000	8,978	9,358	7,367	7,995	8,362	8,094	6,991
7 Investment account, by maturity	27,386	28,313	28,137	27,191	26,657	27,210	26,276	26,344	26,479
8 One year or less	9,406	10,131	9,925	9,461	9,095	9,072	8,684	8,340	8,531
9 Over one through five years	16,042	16,072	16,116	15,768	15,705	16,252	15,711	15,956	15,906
10 Over five years	1,939	2,110	2,096	1,963	1,856	1,886	1,880	2,048	2,042
11 Other securities	72,854	73,867	73,054	72,863	72,436	74,553	72,885	72,731	74,576
12 Trading account	2,941	4,218	3,504	3,344	2,723	5,166	3,504	3,333	4,650
13 Investment account	69,913	69,649	69,550	69,519	69,713	69,387	69,381	69,398	69,926
14 U.S. government agencies	14,991	14,783	14,698	14,670	14,789	14,751	14,779	14,824	14,637
15 States and political subdivision, by maturity	52,217	52,158	52,139	52,111	52,167	51,917	51,831	51,753	52,396
16 One year or less	7,230	7,035	7,047	7,127	7,121	7,001	6,904	6,883	7,450
17 Over one year	44,987	45,124	45,091	44,984	45,046	44,917	44,927	44,870	44,946
18 Other bonds, corporate stocks and securities	2,704	2,708	2,713	2,738	2,757	2,739	2,770	2,821	2,893
Loans									
19 Federal funds sold[1]	29,882	32,761	32,670	30,372	29,622	34,511	30,601	28,064	28,221
20 To commercial banks	20,208	22,192	22,817	19,182	18,963	23,869	20,987	19,075	18,548
21 To nonbank brokers and dealers in securities	7,578	7,939	7,278	8,728	7,969	7,812	6,780	6,495	7,015
22 To others	2,096	2,630	2,575	2,462	2,690	2,830	2,834	2,494	2,658
23 Other loans, gross	445,922	447,882	447,017	446,852	447,531	451,298	450,436	450,242	451,762
24 Commercial and industrial	192,580	194,134	193,556	194,620	194,436	197,424	197,080	197,120	197,821
25 Bankers acceptances and commercial paper	4,358	4,586	4,620	3,987	4,276	4,316	4,267	4,800	5,002
26 All other	188,221	189,548	188,936	190,634	190,160	193,108	192,814	192,320	192,819
27 U.S. addressees	181,779	183,014	182,444	184,022	183,496	186,669	186,243	185,795	186,195
28 Non-U.S. addressees	6,442	6,534	6,492	6,612	6,663	6,439	6,570	6,525	6,624
29 Real estate	120,286	120,418	120,774	121,061	121,414	121,383	121,563	121,749	121,799
30 To individuals for personal expenditures	64,422	64,310	64,398	64,692	64,765	64,706	64,398	64,416	64,378
To financial institutions									
31 Commercial banks in the United States	5,997	6,457	5,989	6,052	5,989	5,835	5,846	5,834	5,968
32 Banks in foreign countries	7,575	7,102	7,493	6,820	7,105	7,141	7,169	7,307	6,573
33 Sales finance, personal finance companies, etc.	11,567	11,276	11,431	10,923	11,565	11,123	10,998	10,713	11,041
34 Other financial institutions	15,837	15,965	15,854	15,821	15,938	15,973	16,118	15,992	15,817
35 To nonbank brokers and dealers in securities	5,177	6,739	5,863	5,534	4,851	5,205	5,739	5,038	6,240
36 To others for purchasing and carrying securities[2]	2,334	2,350	2,373	2,330	2,369	2,374	2,452	2,390	2,376
37 To finance agricultural production	5,794	5,792	5,790	5,871	5,855	5,956	5,969	6,025	6,060
38 All other	14,355	13,339	13,496	13,127	13,244	14,178	13,103	13,658	13,690
39 LESS: Unearned income	5,169	5,202	5,216	5,228	5,229	5,189	5,213	5,238	5,245
40 Loan loss reserve	6,379	6,406	6,404	6,439	6,444	6,524	6,554	6,554	6,560
41 Other loans, net	434,374	436,274	435,398	435,184	435,857	439,585	438,669	438,449	439,957
42 Lease financing receivables	10,796	10,785	10,771	10,741	10,736	10,748	10,739	10,740	10,739
43 All other assets	109,540	109,011	104,637	105,734	105,115	109,181	109,512	108,419	105,518
44 Total assets	**777,870**	**779,551**	**777,509**	**774,138**	**765,981**	**785,029**	**778,235**	**773,720**	**768,885**
Deposits									
45 Demand deposits	160,948	159,392	158,362	152,125	146,116	154,614	148,817	150,902	147,023
46 Mutual savings banks	657	625	576	526	445	558	534	521	500
47 Individuals, partnerships, and corporations	122,563	120,881	121,163	116,316	111,611	114,990	113,283	112,996	111,093
48 States and political subdivisions	4,546	3,919	4,006	3,848	4,033	4,732	3,729	3,802	4,500
49 U.S. government	978	1,755	2,216	1,626	2,270	3,248	1,892	2,701	1,693
50 Commercial banks in the United States	18,162	18,253	16,818	16,185	14,836	17,023	15,755	16,573	16,353
51 Banks in foreign countries	6,324	6,053	6,098	6,112	6,253	6,693	6,516	6,677	6,307
52 Foreign governments and official institutions	1,036	1,031	921	1,013	882	1,083	1,008	926	1,034
53 Certified and officers' checks	6,680	6,874	6,563	6,499	5,785	6,288	6,099	6,706	5,543
54 Time and savings deposits	349,527	350,476	349,783	350,587	350,740	351,538	352,509	353,523	356,171
55 Savings	74,194	76,099	75,861	75,063	72,809	73,857	73,420	73,463	73,207
56 Individuals and nonprofit organizations	71,022	72,886	72,739	71,973	69,702	70,732	70,185	70,306	69,948
57 Partnerships and corporations operated for profit	2,655	2,652	2,605	2,572	2,588	2,587	2,588	2,559	2,576
58 Domestic governmental units	497	543	499	503	503	521	632	574	662
59 All other	19	17	18	16	16	16	15	24	22
60 Time	275,334	274,377	273,922	275,524	277,931	277,681	279,089	280,060	282,964
61 Individuals, partnerships, and corporations	240,912	240,165	239,378	240,714	242,722	242,665	243,609	244,890	247,286
62 States and political subdivisions	19,323	18,872	19,127	19,328	19,677	19,625	19,726	19,637	19,914
63 U.S. government	343	380	380	488	506	508	477	461	483
64 Commercial banks in the United States	10,404	10,533	10,583	10,620	10,693	10,500	10,746	10,487	10,644
65 Foreign governments, official institutions, and banks	4,351	4,427	4,454	4,374	4,332	4,382	4,531	4,585	4,636
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	1,299	1,552	3,634	2,037	4,244	331	808	130	433
67 Treasury tax-and-loan notes	7,428	2,574	2,314	11,154	11,566	11,251	10,411	4,738	4,348
68 All other liabilities for borrowed money[3]	133,929	142,946	142,010	135,694	130,722	143,735	142,408	140,124	136,589
69 Other liabilities and subordinated notes and debentures	72,727	70,482	69,257	70,599	70,848	71,323	70,847	72,131	72,036
70 Total liabilities	**725,858**	**727,422**	**725,360**	**722,196**	**714,236**	**732,792**	**725,801**	**721,547**	**716,600**
71 Residual (total assets minus total liabilities)[4]	52,011	52,129	52,149	51,942	51,744	52,237	52,434	52,173	52,285

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

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

Millions of dollars, Wednesday figures

Account	1982								
	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28p	May 5p	May 12p	May 19p	May 26p
1 Cash items in process of collection	16,353	13,643	14,967	14,511	13,450	13,276	12,289	13,683	13,600
2 Demand deposits due from banks in the United States	1,155	879	992	1,144	1,248	1,195	1,081	1,147	1,276
3 All other cash and due from depository institutions	6,319	6,798	7,944	7,139	5,439	7,511	8,290	6,928	4,282
4 **Total loans and securities**[1]	**135,537**	**134,814**	**135,822**	**132,576**	**133,920**	**137,508**	**134,608**	**134,254**	**135,964**
Securities									
5 U.S. Treasury securities[2]	...	...	...	...	...	...	...	...	...
6 Trading account[2]	...	...	...	...	...	...	...	...	...
7 Investment account, by maturity	7,052	7,369	7,142	6,414	6,335	6,812	6,030	6,471	6,480
8 One year or less	1,768	1,990	1,728	1,416	1,628	1,629	1,135	1,129	1,141
9 Over one through five years	4,735	4,677	4,722	4,408	4,238	4,731	4,437	4,680	4,649
10 Over five years	549	703	693	590	468	453	458	662	690
11 Other securities[2]	...	...	...	...	...	...	...	...	...
12 Trading account[2]	...	...	...	...	...	...	...	...	...
13 Investment account	14,583	14,574	14,597	14,534	14,594	14,469	14,463	14,499	15,123
14 U.S. government agencies	2,152	2,122	2,107	2,070	2,092	2,036	2,036	2,086	2,062
15 States and political subdivision, by maturity	11,573	11,582	11,624	11,607	11,646	11,607	11,572	11,538	12,118
16 One year or less	2,031	2,044	2,056	2,075	2,105	2,063	2,027	1,984	2,561
17 Over one year	9,542	9,539	9,569	9,532	9,540	9,543	9,545	9,554	9,556
18 Other bonds, corporate stocks and securities	858	869	865	856	856	826	855	875	944
Loans									
19 Federal funds sold[3]	8,026	6,773	7,894	7,051	8,014	9,250	7,378	7,210	7,488
20 To commercial banks	4,038	3,068	4,246	2,482	3,882	4,789	3,465	3,722	3,685
21 To nonbank brokers and dealers in securities	3,224	2,906	2,682	3,536	3,036	3,157	2,624	2,396	2,572
22 To others	765	798	966	1,033	1,097	1,304	1,289	1,092	1,232
23 Other loans, gross	109,487	109,754	109,863	108,285	108,674	110,672	110,460	109,808	110,616
24 Commercial and industrial	56,560	57,216	56,948	57,468	57,290	58,957	58,590	58,151	58,677
25 Bankers acceptances and commercial paper	1,598	1,662	1,573	1,465	1,480	1,478	1,468	1,546	1,770
26 All other	54,962	55,555	55,375	56,002	55,810	57,478	57,122	56,605	56,908
27 U.S. addressees	53,412	53,870	53,751	54,403	54,257	56,091	55,691	55,104	55,474
28 Non-U.S. addressees	1,550	1,685	1,624	1,599	1,553	1,388	1,431	1,500	1,434
29 Real estate	17,814	17,793	17,793	17,848	18,033	17,961	18,017	18,072	18,129
30 To individuals for personal expenditures	11,106	11,112	11,124	11,182	11,184	11,210	11,194	11,187	11,182
To financial institutions									
31 Commercial banks in the United States	2,103	2,203	1,795	1,875	1,813	1,857	1,718	1,637	1,678
32 Banks in foreign countries	3,157	2,779	3,096	2,540	2,966	2,994	3,089	3,296	2,639
33 Sales finance, personal finance companies, etc.	5,316	4,984	5,197	4,733	5,293	4,830	4,818	4,561	4,731
34 Other financial institutions	4,582	4,639	4,727	4,704	4,777	4,789	4,887	4,818	4,729
35 To nonbank brokers and dealers in securities	3,261	4,187	4,168	3,466	2,810	3,214	3,564	3,265	3,892
36 To others for purchasing and carrying securities[4]	599	617	621	602	620	637	697	632	642
37 To finance agricultural production	451	432	427	431	403	400	405	414	404
38 All other	4,537	3,790	3,964	3,435	3,485	3,822	3,480	3,775	3,912
39 LESS: Unearned income	1,453	1,479	1,484	1,501	1,491	1,466	1,473	1,495	1,507
40 Loan loss reserve	2,159	2,176	2,190	2,208	2,207	2,229	2,250	2,239	2,238
41 Other loans, net	105,875	106,099	106,189	104,576	104,976	106,977	106,736	106,074	106,872
42 Lease financing receivables	2,308	2,305	2,302	2,302	2,302	2,282	2,278	2,278	2,276
43 All other assets[5]	44,977	48,118	44,721	45,940	44,584	48,193	46,888	46,764	43,812
44 **Total assets**	**206,649**	**206,558**	**206,748**	**203,614**	**200,943**	**209,965**	**205,434**	**205,054**	**201,210**
Deposits									
45 Demand deposits	47,751	46,123	44,481	42,353	40,714	43,568	40,603	43,774	41,772
46 Mutual savings banks	309	275	285	250	208	238	259	267	247
47 Individuals, partnerships, and corporations	33,336	31,746	30,870	29,269	28,438	29,253	27,348	29,150	27,750
48 States and political subdivisions	682	399	425	408	400	684	372	409	966
49 U.S. government	208	472	654	521	789	876	613	728	426
50 Commercial banks in the United States	4,671	4,691	4,074	3,440	2,948	3,676	3,408	3,986	4,238
51 Banks in foreign countries	4,795	4,624	4,615	4,605	4,739	5,119	5,026	5,085	4,788
52 Foreign governments and official institutions	812	799	653	748	617	853	699	697	814
53 Certified and officers' checks	2,938	3,117	2,904	3,110	2,575	2,868	2,878	3,453	2,542
54 Time and savings deposits	66,584	67,705	67,293	67,828	68,213	67,873	68,728	69,467	68,498
55 Savings	9,579	9,848	9,889	9,829	9,462	9,536	9,553	9,614	9,679
56 Individuals and nonprofit organizations	9,253	9,495	9,547	9,491	9,118	9,195	9,138	9,225	9,249
57 Partnerships and corporations operated for profit	225	233	230	225	228	230	229	227	230
58 Domestic governmental units	99	119	110	111	114	110	183	160	198
59 All other	2	1	2	2	2	2	2	2	2
60 Time	57,005	57,857	57,404	57,999	58,751	58,337	59,175	59,854	58,819
61 Individuals, partnerships, and corporations	48,258	49,033	48,607	49,119	49,654	49,407	50,000	50,857	49,764
62 States and political subdivisions	2,295	2,219	2,235	2,232	2,381	2,342	2,331	2,273	2,336
63 U.S. government	92	116	116	117	110	114	114	104	124
64 Commercial banks in the United States	4,196	4,301	4,258	4,315	4,456	4,279	4,451	4,324	4,300
65 Foreign governments, official institutions, and banks	2,164	2,188	2,188	2,217	2,151	2,195	2,280	2,295	2,294
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	300	488	2,350	1,030	1,610	...	675	...	365
67 Treasury tax-and-loan notes	2,224	688	792	3,340	3,674	3,396	3,200	1,364	1,375
68 All other liabilities for borrowed money[6]	42,002	45,798	46,663	43,166	41,154	49,076	46,900	44,685	43,328
69 Other liabilities and subordinated notes and debentures	30,217	28,205	27,631	28,533	28,303	28,558	27,718	28,226	28,405
70 **Total liabilities**	**189,078**	**189,007**	**189,210**	**186,251**	**183,667**	**192,472**	**187,824**	**187,518**	**183,744**
71 Residual (total assets minus total liabilities)[7]	17,571	17,551	17,538	17,363	17,276	17,493	17,610	17,536	17,466

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

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1982								
	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28p	May 5p	May 12p	May 19p	May 26p
BANKS WITH ASSETS OF $750 MILLION OR MORE									
1 Total loans (gross) and securities adjusted[1]	594,420	600,932	597,592	597,869	595,285	602,533	598,491	597,339	600,332
2 *Total loans (gross) adjusted*[1]	476,599	479,255	478,048	479,114	479,517	483,469	481,640	480,848	482,970
3 Demand deposits adjusted[2]	101,216	103,101	99,337	96,894	94,010	96,216	95,419	95,983	94,204
4 Time deposits in accounts of $100,000 or more	186,381	184,933	184,007	185,113	187,107	186,137	187,475	187,982	190,903
5 Negotiable CDs	133,677	132,007	131,093	132,176	133,651	132,496	133,617	133,886	136,064
6 Other time deposits	52,704	52,926	52,914	52,937	53,456	53,641	53,857	54,096	54,839
7 Loans sold outright to affiliates[3]	2,858	2,860	2,835	2,877	2,881	2,843	2,793	2,798	2,693
8 Commercial and industrial	2,211	2,260	2,233	2,260	2,276	2,252	2,236	2,265	2,148
9 Other	646	601	602	617	605	591	557	533	545
BANKS WITH ASSETS OF $1 BILLION OR MORE									
10 Total loans (gross) and securities adjusted[1]	557,914	564,175	561,051	561,403	558,660	565,864	561,726	560,566	563,514
11 Total loans (gross) adjusted[1]	449,599	451,994	450,881	451,991	452,200	456,105	454,204	453,397	455,467
12 Demand deposits adjusted[2]	93,791	95,585	92,011	89,870	87,288	89,001	88,387	89,047	87,156
13 Time deposits in accounts of $100,000 or more	177,986	176,576	175,672	176,762	178,752	177,826	178,958	179,565	182,254
14 Negotiable CDs	128,636	126,954	126,063	127,120	128,634	127,500	128,548	128,874	130,912
15 Other time deposits	49,350	49,622	49,610	49,642	50,119	50,327	50,410	50,690	51,342
16 Loans sold outright to affiliates[3]	2,781	2,776	2,749	2,781	2,784	2,752	2,695	2,701	2,598
17 Commercial and industrial	2,151	2,192	2,164	2,181	2,196	2,176	2,154	2,185	2,073
18 Other	630	584	586	600	588	575	541	516	525
BANKS IN NEW YORK CITY									
19 Total loans (gross) and securities adjusted[1,4]	133,008	133,199	133,455	131,927	131,922	134,558	133,147	132,629	134,345
20 Total loans (gross) adjusted[1]	111,372	111,256	111,715	110,979	110,993	113,277	112,654	111,659	112,742
21 Demand deposits adjusted[2]	26,519	27,318	24,786	23,880	23,526	25,740	24,293	25,378	23,508
22 Time deposits in accounts of $100,000 or more	43,718	44,388	43,926	44,405	45,138	44,502	45,400	46,028	45,029
23 Negotiable CDs	32,868	33,515	33,049	33,627	34,181	33,494	34,466	35,162	34,093
24 Other time deposits	10,850	10,872	10,876	10,778	10,957	11,008	10,933	10,866	10,936

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, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
4. Excludes trading account securities.

1.291 LARGE WEEKLY REPORTING BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1982								
	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28^p	May 5^p	May 12^p	May 19^p	May 26^p
1 Cash and due from depository institutions	6,061	5,880	5,879	6,074	5,813	5,560	5,902	5,865	6,101
2 Total loans and securities	48,374	47,849	46,271	44,749	44,967	44,669	43,871	43,710	45,818
3 U.S. Treasury securities	2,526	2,316	2,295	2,298	2,522	2,484	2,497	2,453	2,264
4 Other securities	785	765	759	750	766	766	769	757	786
5 Federal funds sold[1]	3,904	3,886	3,265	2,335	2,936	3,177	2,317	2,777	4,678
6 To commercial banks in U.S.	3,623	3,571	2,960	2,103	2,714	2,881	2,120	2,596	4,328
7 To others	281	314	305	232	221	296	197	180	351
8 Other loans, gross	41,159	40,882	39,951	39,365	38,742	38,242	38,288	37,723	38,090
9 Commercial and industrial	20,164	19,676	19,678	19,550	18,884	18,806	18,498	18,701	18,460
10 Bankers acceptances and commercial paper	3,645	3,619	3,727	3,619	3,372	3,419	3,311	3,298	3,187
11 All other	16,518	16,057	15,950	15,932	15,511	15,387	15,187	15,404	15,273
12 U.S. addressees	14,333	13,974	13,824	13,759	13,392	13,221	12,991	13,304	13,154
13 Non-U.S. addressees	2,185	2,083	2,126	2,173	2,119	2,166	2,196	2,099	2,119
14 To financial institutions	16,620	16,580	16,175	15,666	15,522	15,152	15,286	14,895	14,968
15 Commercial banks in U.S.	13,306	13,220	13,047	12,428	12,351	12,021	12,166	11,839	11,917
16 Banks in foreign countries	2,786	2,824	2,612	2,702	2,645	2,593	2,610	2,512	2,521
17 Nonbank financial institutions	529	536	516	536	526	537	510	543	530
18 For purchasing and carrying securities	489	720	261	306	310	432	523	214	586
19 All other	3,886	3,906	3,838	3,842	4,028	3,852	3,980	3,913	4,076
20 Other assets (claims on nonrelated parties)	12,744	12,452	12,581	12,778	12,639	12,367	12,807	12,500	12,517
21 Net due from related institutions	12,354	12,968	12,406	12,474	11,972	12,449	11,871	12,093	11,731
22 Total assets	79,534	79,149	77,137	76,075	75,392	75,046	74,451	74,168	76,168
23 Deposits or credit balances[2]	23,378	23,576	23,885	22,181	21,908	22,072	21,575	20,658	22,039
24 Credit balances	247	248	209	261	244	224	273	225	208
25 Demand deposits	2,053	2,086	2,279	2,072	2,248	2,001	1,961	1,846	2,079
26 Individuals, partnerships, and corporations	799	932	1,023	932	994	868	746	760	878
27 Other	1,254	1,154	1,256	1,140	1,253	1,132	1,215	1,086	1,201
28 Total time and savings	21,077	21,241	21,397	19,848	19,416	19,847	19,341	18,586	19,752
29 Individuals, partnerships, and corporations	17,743	17,689	17,822	16,414	15,848	16,496	16,126	15,473	16,372
30 Other	3,335	3,553	3,575	3,433	3,568	3,351	3,214	3,113	3,380
31 Borrowings[3]	33,092	32,472	31,349	31,343	30,253	30,579	30,235	30,634	30,333
32 Federal funds purchased[4]	8,460	8,257	7,523	7,588	6,932	8,054	7,668	8,193	7,309
33 From commercial banks in U.S.	7,320	7,242	6,442	6,306	5,755	6,837	6,676	6,711	5,939
34 From others	1,139	1,015	1,081	1,282	1,176	1,217	992	1,482	1,370
35 Other liabilities for borrowed money	24,632	24,215	23,826	23,755	23,321	22,525	22,567	22,441	23,024
36 To commercial banks in U.S.	22,027	21,769	21,317	21,312	20,994	20,267	20,283	20,124	20,666
37 To others	2,606	2,446	2,509	2,443	2,327	2,258	2,283	2,317	2,358
38 Other liabilities to nonrelated parties	12,968	12,733	12,782	13,182	13,087	12,947	13,347	12,987	13,067
39 Net due to related institutions	10,096	10,368	9,121	9,369	10,144	9,448	9,294	9,888	10,729
40 Total liabilities	79,534	79,149	77,137	76,075	75,392	75,046	74,451	74,168	76,168
MEMO									
41 Total loans (gross) and securities adjusted[5]	31,446	31,058	30,263	30,218	29,902	29,767	29,585	29,274	29,574
42 Total loans (gross) adjusted[5]	28,135	27,977	27,209	27,169	26,613	26,517	26,319	26,064	26,524

1. Includes securities purchased under agreements to resell.
2. Balances due to other than directly related institutions.
3. Borrowings from other than directly related institutions.
4. Includes securities sold under agreements to repurchase.
5. Excludes loans and federal funds transactions with commercial banks in U.S.

NOTE. Beginning in the week ending Dec. 9, 1981, shifts of assets and liabilities to international banking facilities (IBFs) reduced the amounts reported in some items, especially in loans to foreigners and to a lesser extent in time deposits. Based on preliminary reports, the large weekly reporting branches and agencies shifted $22.2 billion of assets to their IBFs in the six weeks ending Jan. 13, 1982. Domestic offices net positions with IBFs are now included in net due from or net due to related institutions. More detail will be available later.

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Domestic Classified Commercial and Industrial Loans

Millions of dollars

Industry classification	Outstanding					Net change during				
	1982					1981	1982			
	Jan. 27	Feb. 24	Mar. 31	Apr. 28	May 26^p	Q4	Q1	Mar.	Apr.	May^p
1 Durable goods manufacturing	27,158	28,314	28,638	29,085	28,842	795	1,720	324	447	243
2 Nondurable goods manufacturing	21,628	21,948	23,165	23,584	24,002	1,613	1,367	1,217	420	418
3 Food, liquor, and tobacco	4,160	4,419	4,553	4,814	4,784	-229	350	134	261	30
4 Textiles, apparel, and leather	4,172	4,427	4,535	4,654	4,722	896	353	108	119	68
5 Petroleum refining	4,587	4,142	4,449	4,417	4,682	911	418	306	31	265
6 Chemicals and rubber	4,486	4,746	5,138	5,187	5,232	1,408	795	392	49	45
7 Other nondurable goods	4,223	4,214	4,490	4,511	4,581	10	287	276	21	70
8 Mining (including crude petroleum and natural gas)	24,552	25,804	25,851	26,792	28,171	3,082	1,486	47	941	1,379
9 Trade	28,135	27,793	28,887	28,667	28,704	1,010	813	1,094	220	37
10 Commodity dealers	2,297	1,802	2,322	1,858	1,873	635	30	520	-464	15
11 Other wholesale	13,252	13,172	13,584	13,557	13,489	313	617	412	27	68
12 Retail	12,586	12,819	12,981	13,252	13,342	62	166	163	270	90
13 Transportation, communication, and other public utilities	23,418	23,381	23,652	23,682	23,703	1,299	472	271	29	22
14 Transportation	8,739	8,890	9,163	9,100	9,070	134	550	273	63	30
15 Communication	4,026	4,076	4,242	4,470	4,559	419	287	166	228	89
16 Other public utilities	10,652	10,415	10,247	10,111	10,074	745	365	168	136	37
17 Construction	7,060	7,202	7,257	7,413	7,690	53	18	55	156	277
18 Services	26,738	27,270	27,151	27,344	27,973	1,144	563	119	193	629
19 All other[1]	17,178	16,883	17,178	16,929	17,110	1,046	103	294	248	180
20 **Total domestic loans**	**175,868**	**178,596**	**181,779**	**183,496**	**186,195**	**6,710**	**6,542**	**3,182**	**1,718**	**2,699**
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans	85,201	87,829	87,238	88,277	89,282	-1,019	1,952	-591	1,039	1,004

1. 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 Dec. 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.

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

Billions of dollars, estimated daily-average balances

Type of holder	1977 Dec.	1978 Dec.	1979[2] Dec.	1980 June	1980 Sept.	1980 Dec.	1981 Mar.[3]	1981 June[4]	1981 Sept.	1981 Dec.
	Commercial banks									
1 **All holders—Individuals, partnerships, and corporations**	**274.4**	**294.6**	**302.2**	**288.6**	**302.0**	**315.5**	**280.8**	n.a.	**277.5**	**288.9**
2 Financial business	25.0	27.8	27.1	27.7	29.6	29.8	30.8	n.a.	28.2	28.0
3 Nonfinancial business	142 9	152.7	157.7	145.3	151.9	162.3	144.3	n.a.	148.6	154.8
4 Consumer	91.0	97.4	99.2	97.9	101.8	102.4	86.7	n.a.	82.1	86.6
5 Foreign	2.5	2.7	3.1	3.3	3.2	3.3	3.4	n.a.	3.1	2.9
6 Other	12.9	14.1	15.1	14.4	15.5	17 2	15.6	n.a.	15.5	16.7
	Weekly reporting banks									
	1977 Dec.	1978 Dec.	1979[5] Dec.	1980 June	1980 Sept.	1980 Dec.	1981 Mar.[3]	1981 June[4]	1981 Sept.	1981 Dec.
7 **All holders—Individuals, partnerships, and corporations**	***139.1***	***147.0***	***139.3***	***133.9***	***140.6***	***147.4***	***133.2***	n.a.	***131.3***	***137.5***
8 Financial business	18.5	19.8	20 1	20.2	21.2	21.8	21.9	n.a.	20.7	21.0
9 Nonfinancial business	76 3	79.0	74.1	69.2	72.4	78.3	69.8	n.a.	71.2	75.2
10 Consumer	34.6	38.2	34 3	33 9	36.0	35.6	30.6	n.a.	28.7	30.4
11 Foreign	2 4	2.5	3.0	3.1	3.1	3.1	3.2	n.a.	2.9	2.8
12 Other	7.4	7.5	7.8	7.5	7.9	8.6	7.7	n.a.	7.9	8.0

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. Demand deposit ownership survey estimates for June 1981 are not yet available due to unresolved reporting errors.

5. 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.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1977 Dec	1978 Dec	1979[1] Dec.	1980 Dec.	1981 Oct.	1981 Nov.	1981 Dec.	1982 Jan.	1982 Feb.	1982 Mar.	1982 Apr.
	Commercial paper (seasonally adjusted)										
1 **All issuers**	**65,051**	**83,438**	**112,803**	**124,524**	**164,026**	**164,958**	**165,508**	**165,088**	**164,738**	**166,341**	**171,436**
Financial companies[2]											
Dealer-placed paper[3]											
2 Total	8,796	12,181	17,359	19,790	30,081	30,024	30,188	29,321	30,069	31,578	32,846
3 Bank-related	2,132	3,521	2,784	3,561	5,640	5,735	6,045	6,526	6,865	7,429	8,273
Directly placed paper[4]											
4 Total	40,574	51,647	64,757	67,854	82,822	82,291	81,660	80,331	79,142	77,933	81,157
5 Bank-related	7,102	12,314	17,598	22,382	25,397	26,225	26,914	28,567	27,207	27,190	29,005
6 Nonfinancial companies[5]	15,681	19,610	30,687	36,880	51,123	52,643	53,660	55,436	55,527	56,830	57,433
	Bankers dollar acceptances (not seasonally adjusted)										
7 **Total**	**25,450**	**33,700**	**45,321**	**54,744**	**66,072**	**68,749**	**69,226**	**70,088**	**70,468**	**70,619**	
Holder											
8 Accepting banks	10,434	8,579	9,865	10,564	10,511	11,253	10,857	10,227	11,953	12,964	
9 Own bills	8,915	7,653	8,327	8,963	9,522	10,268	9,743	9,095	10,928	11,139	
10 Bills bought	1,519	927	1,538	1,601	989	985	1,115	1,132	1,025	1,825	
Federal Reserve Banks											
11 Own account	954	1	704	776	0	0	0	0	0	0	n.a.
12 Foreign correspondents	362	664	1,382	1,791	1,428	1,408	1,442	1,427	1,530	1,379	
13 Others	13,700	24,456	33,370	41,614	54,133	56,089	56,926	58,434	56,985	57,276	
Basis											
14 Imports into United States	6,378	8,574	10,270	11,776	14,699	14,851	14,765	14,727	15,430	14,877	
15 Exports from United States	5,863	7,586	9,640	12,712	13,981	14,936	15,400	15,599	16,119	16,835	
16 All other	13,209	17,540	25,411	30,257	37,391	38,962	39,061	39,762	38,919	39,907	

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
1981—June 3	20.00	1981—Nov. 17	16.50	1981—Jan.	20.16	1981—Oct.	18.45
July 8	20.50		17.00	Feb	19.43	Nov.	16.84
Sept 15	20.00	20	16.50	Mar	18.05	Dec.	15.75
22	19.50	24	16.00	Apr.	17.15		
Oct. 5	19.00	Dec. 1	15.75	May	19.61	1982—Jan.	15.75
13	18.00			June	20.03	Feb.	16.56
Nov. 3	17.50	1982—Feb. 2	16.50	July	20.39	Mar.	16.50
9	17.00	18	17.00	Aug.	20.50	Apr.	16.50
		23	16.50	Sept.	20.08	May	16.50

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 1–6, 1982

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)	31,600,736	879,384	560,057	686,973	2,391,858	938,120	26,144,343
2 Number of loans	167,711	120,258	18,056	10,419	13,787	1,443	3,748
3 Weighted-average maturity (months)	1.4	3.5	3.8	4.4	3.7	3.8	1.0
4 Weighted-average interest rate (percent per annum)	17.13	18.34	17.88	18.20	17.65	17.31	16.99
5 Interquartile range[1]	16.61–17.55	17.23–19.12	17.00–18.97	17.42–19.05	16.75–18.64	16.50–17.98	16.56–17.44
Percentage of amount of loans							
6 With floating rate	40.0	35.4	46.6	57.3	64.4	70.4	36.3
7 Made under commitment	54.9	27.8	36.5	41.5	51.0	63.5	56.6
8 With no stated maturity	17.5	13.9	16.8	18.6	26.4	32.7	16.2
LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS							
9 Amount of loans (thousands of dollars)	3,541,678		319,977		330,461	184,046	2,707,194
10 Number of loans	22,169		19,773		1,627	274	495
11 Weighted-average maturity (months)	51.6		31.6		39.7	43.0	56.0
12 Weighted-average interest rate (percent per annum)	16.59		19.06		17.58	16.93	16.15
13 Interquartile range[1]	16.12–17.50		17.23–19.57		16.75–18.25	16.50–17.75	15.75–17.00
Percentage of amount of loans							
14 With floating rate	69.5		32.9		61.9	76.0	74.4
15 Made under commitment	61.6		26.9		44.6	67.1	67.5
CONSTRUCTION AND LAND DEVELOPMENT LOANS							
16 Amount of loans (thousands of dollars)	1,209,125	112,588	172,993	285,350	230,605	407,589	
17 Number of loans	26,525	16,202	4,869	3,865	1,400	189	
18 Weighted-average maturity (months)	12.9	7.8	9.8	13.4	10.5	16.3	
19 Weighted-average interest rate (percent per annum)	17.86	19.90	19.37	18.84	14.83	17.68	
20 Interquartile range[1]	17.27–19.25	17.98–20.46	18.83–20.17	18.27–19.51	8.75–18.54	17.23–18.27	
Percentage of amount of loans							
21 With floating rate	52.3	19.5	59.8	40.6	51.5	66.8	
22 Secured by real estate	87.3	56.8	85.5	99.3	94.9	83.7	
23 Made under commitment	50.9	55.4	26.1	28.8	51.8	75.0	
24 With no stated maturity	4.6	10.8	4.4	3.7	7.8	1.8	
Type of construction							
25 1- to 4-family	30.0	35.4	27.5	74.4	17.3	5.8	
26 Multifamily	13.3	1.8	1.6	.8	43.3	13.3	
27 Nonresidential	56.6	62.8	70.8	24.8	39.4	80.9	
LOANS TO FARMERS	All sizes	1–9	10–24	25–49	50–99	100–249	250 and over
28 Amount of loans (thousands of dollars)	1,266,037	138,005	166,907	164,173	194,427	216,317	386,208
29 Number of loans	57,806	36,774	11,122	4,955	2,920	1,655	380
30 Weighted-average maturity (months)	7.1	6.2	8.3	7.5	7.5	6.3	6.9
31 Weighted-average interest rate (percent per annum)	17.68	17.65	17.33	17.67	17.66	17.63	17.88
32 Interquartile range[1]	17.11–18.39	16.65–18.54	16.64–18.27	17.18–18.27	16.75–18.52	17.18–18.27	17.50–18.47
By purpose of loan							
33 Feeder livestock	17.57	18.16	17.42	17.82	17.31	18.05	17.38
34 Other livestock	17.42	17.96	16.78	17.50	18.17	(2)	(2)
35 Other current operating expenses	17.66	17.58	17.29	17.53	17.48	17.44	18.29
36 Farm machinery and equipment	17.93	17.38	17.42	17.11	19.04	(2)	(2)
37 Other	17.85	17.86	17.85	18.35	17.20	17.70	17.98

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	1979	1980	1981	1982				1982, week ending				
				Feb.	Mar.	Apr.	May	Apr. 30	May 7	May 14	May 21	May 28
MONEY MARKET RATES												
1 Federal funds[1,2]	11.19	13.36	16.38	14.78	14.68	14.94	14.45	14.72	15.53	14.97	14.67	13.70
Commercial paper[3,4]												
2 1-month	10.86	12.76	15.69	14.62	13.99	14.38	13.79	14.04	14.25	13.98	13.78	13.15
3 3-month	10.97	12.66	15.32	14.53	13.80	14.06	13.42	13.79	13.81	13.46	13.37	13.03
4 6-month	10.91	12.29	14.76	14.27	13.47	13.64	13.02	13.46	13.36	13.01	12.94	12.76
Finance paper, directly placed[3,4]												
5 1-month	10.78	12.44	15.30	14.41	13.73	14.17	13.49	13.85	13.88	13.70	13.50	12.89
6 3-month	10.47	11.49	14.08	13.59	12.91	13.21	12.75	13.03	13.01	12.84	12.75	12.39
7 6-month	10.25	11.28	13.73	13.58	12.89	13.09	12.61	12.90	12.90	12.74	12.60	12.19
Bankers acceptances[4,5]												
8 3-month	11.04	12.78	15.32	14.47	13.73	13.95	13.29	13.73	13.61	13.31	13.23	12.99
9 6-month	n.a.	n.a.	14.66	14.09	13.33	13.49	12.90	13.33	13.17	12.84	12.82	12.75
Certificates of deposit, secondary market[6]												
10 1-month	11.03	12.91	15.91	14.78	14.12	14.44	13.95	14.17	14.30	14.14	13.93	13.43
11 3-month	11.22	13.07	15.91	15.00	14.21	14.44	13.80	14.21	14.16	13.82	13.76	13.44
12 6-month	11.44	12.99	15.77	15.12	14.25	14.42	13.77	14.25	14.09	13.73	13.68	13.60
13 Eurodollar deposits, 3-month[2]	11.96	14.00	16.79	15.75	14.90	15.18	14.53	14.85	14.91	14.43	14.58	14.44
U.S. Treasury bills[4]												
Secondary market[7]												
14 3-month	10.07	11.43	14.03	13.48	12.68	12.70	12.09	12.42	12.54	12.38	11.90	11.54
15 6-month	10.06	11.37	13.80	13.61	12.77	12.80	12.16	12.57	12.59	12.37	11.97	11.72
16 1-year	9.75	10.89	13.14	13.11	12.47	12.50	11.98	12.30	12.29	12.11	11.83	11.71
Auction average[8]												
17 3-month	10.041	11.506	14.077	13.780	12.493	12.821	12.148	12.469	12.675	12.248	12.189	11.480
18 6-month	10.017	11.374	13.811	13.709	12.621	12.861	12.220	12.640	12.780	12.236	12.187	11.677
19 1-year	9.817	10.748	13.159	13.180	12.509	12.731	12.194	......	......	......	12.194	......
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds[9]												
Constant maturities[10]												
20 1-year	10.67	12.05	14.78	14.73	13.95	13.98	13.34	13.75	13.71	13.49	13.18	13.00
21 2-year	10.12	11.77	14.56	14.82	14.19	14.20	13.78	13.99	13.96	13.81	13.71	13.63
22 2-1/2-year[11]	......	......	......	......	......	......	......	......	13.85	......	13.65	......
23 3-year	9.71	11.55	14.44	14.73	14.13	14.18	13.77	14.02	13.95	13.73	13.71	13.71
24 5-year	9.52	11.48	14.24	14.54	13.98	14.00	13.75	13.87	13.87	13.69	13.72	13.74
25 7-year	9.48	11.43	14.06	14.46	13.93	13.94	13.74	13.82	13.83	13.67	13.69	13.78
26 10-year	9.44	11.46	13.91	14.43	13.86	13.87	13.62	13.78	13.73	13.53	13.57	13.66
27 20-year	9.33	11.39	13.72	14.48	13.75	13.57	13.46	13.47	13.46	13.37	13.48	13.53
28 30-year	9.29	11.30	13.44	14.22	13.53	13.37	13.24	13.28	13.27	13.17	13.24	13.29
Composite[12]												
29 Over 10 years (long-term)	8.74	10.81	12.87	13.63	12.98	12.84	12.67	12.73	12.71	12.58	12.66	12.72
State and local notes and bonds												
Moody's series[13]												
30 Aaa	5.92	7.85	10.43	12.20	11.95	11.66	11.05	11.20	11.20	11.00	11.00	11.00
31 Baa	6.73	9.01	11.76	13.83	13.70	13.29	12.54	12.78	12.75	12.60	12.40	12.40
32 *Bond Buyer* series[14]	6.52	8.59	11.33	12.97	12.82	12.59	11.95	11.97	12.04	11.82	11.96	11.99
Corporate bonds												
Seasoned issues[15]												
33 All industries	10.12	12.75	15.06	16.13	15.68	15.53	15.34	15.40	15.43	15.28	15.32	15.35
34 Aaa	9.63	11.94	14.17	15.27	14.58	14.46	14.26	14.31	14.36	14.22	14.23	14.21
35 Aa	9.94	12.50	14.75	15.72	15.21	14.90	14.77	14.75	14.86	14.70	14.76	14.76
36 A	10.20	12.89	15.29	16.35	16.12	15.95	15.70	15.82	15.76	15.65	15.68	15.71
37 Baa	10.69	13.67	16.04	17.18	16.82	16.78	16.64	16.70	16.72	16.54	16.62	16.69
Aaa utility bonds[16]												
38 New issue	10.03	12.74	15.56	15.93	15.26	15.83	15.22	......	......	......	15.22	......
39 Recently offered issues	10.02	12.70	15.56	15.97	15.19	15.45	15.24	15.55	15.29	15.31	15.17	15.20
MEMO: Dividend/price ratio[17]												
40 Preferred stocks	9.07	10.57	12.36	13.20	12.97	12.90	12.58	12.76	12.72	12.50	12.48	12.60
41 Common stocks	5.46	5.25	5.41	6.06	6.28	5.99	5.97	5.94	5.91	5.83	6.05	6.09

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 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 of yields (to maturity or call) 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.

1.36 STOCK MARKET Selected Statistics

Indicator	1979	1980	1981	1981 Sept	1981 Oct.	1981 Nov	1981 Dec.	1982 Jan.	1982 Feb.	1982 Mar.	1982 Apr.	1982 May
	Prices and trading (averages of daily figures)											
Common stock prices												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	55.67	68.06	74.02	68.37	69.40	71.49	71.81	67.91	66.16	63.86	66.97	67.07
2 Industrial	61.82	78.64	85.44	78.07	78.94	80.86	81.70	76.85	74.78	71.51	75.59	75.97
3 Transportation	45.20	60.52	72.61	63.67	65.65	67.68	68.27	62.04	59.09	55.19	57.91	56.84
4 Utility	36.46	37.35	38.90	38.17	38.87	40.73	40.22	39.30	38.32	38.57	39.20	39.40
5 Finance	58.65	64.28	73.52	69.38	72.58	76.47	74.74	70.99	70.50	69.08	71.44	69.16
6 Standard & Poor's Corporation (1941–43 = 10)[1]	107.94	118.71	128.05	118.27	119.84	122.92	123.79	117.41	114.50	110.84	116.31	116.35
7 American Stock Exchange (Aug. 31, 1973 = 100)	186.56	300.94	343.58	313.60	308.81	321.0	322.65	296.49	275.10	255.08	271.15	272.88
Volume of trading (thousands of shares)												
8 New York Stock Exchange	32,233	44,867	46,967	46,042	45,287	50,791	43,598	48,419	51,169	55,227	54,119	51,323
9 American Stock Exchange	4,182	6,377	5,346	5,556	4,233	5,257	4,992	4,497	4,400	4,329	3,938	4,337
	Customer financing (end-of-period balances, in millions of dollars)											
10 **Regulated margin credit at brokers–dealers**[2]	**11,619**	**14,721**	**14,411**	**14,023**	**13,926**	**14,124**	**14,411**	**13,441**	**13,023**	**12,095**	**12,202**	n.a.
11 Margin stock[3]	11,450	14,500	14,150	13,760	13,660	13,860	14,150	13,190	12,770	11,840	11,950	n.a.
12 Convertible bonds	167	219	259	263	263	261	259	249	251	249	251	n.a.
13 Subscription issues	2	2	2	0	3	3	2	2	2	6	1	n.a.
Free credit balances at brokers[4]												
14 Margin-account	1,105	2,105	3,515	2,940	2,990	3,290	3,515	3,455	3,755	3,895	4,150	n.a.
15 Cash-account	4,060	6,070	7,150	6,555	6,100	6,865	7,150	6,575	6,595	6,510	6,270	n.a.
	Margin-account debt at brokers (percentage distribution, end of period)											
16 **Total**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	n.a.
By equity class (in percent)[5]												
17 Under 40	16.0	14.0	37.0	47.0	32.0	30.0	37.0	37.0	44.0	39.0	34.0	n.a.
18 40–49	29.0	30.0	21.0	22.0	28.0	25.0	24.0	24.0	22.0	24.0	25.0	n.a.
19 50–59	27.0	25.0	22.0	13.0	18.0	21.0	17.0	16.0	15.0	16.0	18.0	n.a.
20 60–69	14.0	14.0	10.0	8.0	10.0	11.0	10.0	10.0	8.0	10.0	10.0	n.a.
21 70–79	8.0	9.0	6.0	5.0	6.0	6.0	6.0	7.0	6.0	6.0	7.0	n.a.
22 80 or more	7.0	8.0	6.0	5.0	6.0	7.0	6.0	6.0	5.0	5.0	6.0	n.a.
	Special miscellaneous-account balances at brokers (end of period)											
23 **Total balances (millions of dollars)**[6]	**16,150**	**21,690**	**25,870**	**25,234**	**24,962**	**25,409**	**25,870**	**26,080**	**26,850**	**28,030**	**28,252**	n.a.
Distribution by equity status (percent)												
24 Net credit status	44.2	47.8	58.0	55.0	55.0	57.0	58.0	58.0	58.0	59.0	57.0	n.a.
Debt status, equity of												
25 60 percent or more	47.0	44.4	31.0	33.0	35.0	33.0	31.0	31.0	30.0	28.0	29.0	n.a.
26 Less than 60 percent	8.8	7.7	11.0	12.0	10.0	10.0	11.0	11.0	12.0	13.0	13.0	n.a.

Margin requirements (percent of market value and effective date)[7]

	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
27 Margin stocks	70	80	65	55	65	50
28 Convertible bonds	50	60	50	50	50	50
29 Short sales	70	80	65	55	65	50

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

2. 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 values.

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

7. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1979	1980	1981						1982			
			July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[p]
	Savings and loan associations											
1 **Assets**	**578,962**	**630,712**	**649,807**	**653,022**	**655,658**	**659,073**	**660,326**	**663,844**	**667,600**	**671,895**	**678,039**	**681,712**
2 Mortgages	475,688	503,192	511,990	518,172	518,778	519,248	519,146	518,350	517,493	516,284	515,896	514,683
3 Cash and investment securities[1]	46,341	57,928	57,817	58,932	59,530	61,517	61,369	62,756	64,089	66,585	67,758	68,050
4 Other	56,933	69,592	75,000	75,918	77,350	78,308	79,811	82,738	86,018	89,026	94,835	98,979
5 **Liabilities and net worth**	**578,962**	**630,712**	**649,807**	**653,022**	**655,658**	**659,073**	**660,326**	**663,844**	**667,600**	**671,895**	**678,039**	**681,712**
6 Savings capital	470,004	511,636	514,805	513,438	515,649	519,288	519,777	524,374	526,382	529,064	535,566	532,955
7 Borrowed money	55,232	64,586	79,704	83,456	87,477	86,108	86,255	89,097	89,099	89,465	91,013	93,752
8 FHLBB	40,441	47,045	57,188	60,025	61,857	62,000	61,922	62,794	62,581	62,690	63,639	65,242
9 Other	14,791	17,541	22,516	23,431	25,620	24,108	24,333	26,303	26,518	26,775	27,374	28,510
10 Loans in process	9,582	8,767	7,741	7,354	7,040	6,757	6,451	6,369	6,249	6,144	6,399	6,563
11 Other	11,506	12,394	16,556	18,275	15,307	17,506	19,101	15,612	18,356	20,145	18,574	22,435
12 Net worth[2]	32,638	33,329	31,001	30,499	30,185	29,414	28,742	28,392	27,514	27,077	26,487	26,007
13 MEMO: Mortgage loan commitments outstanding[3]	16,007	16,102	17,235	16,689	16,012	15,733	15,758	15,225	15,131	15,397	15,582	16,326
	Mutual savings banks[4]											
14 **Assets**	**163,405**	**171,564**	**174,578**	**174,761**	**175,234**	**175,693**	**175,258**	**175,728**	**175,938**	**175,763**	**174,776**	
Loans												
15 Mortgage	98,908	99,865	100,095	99,987	99,944	99,903	99,879	99,997	99,788	98,838	97,464	
16 Other	9,253	11,733	14,359	14,560	14,868	14,725	15,073	14,753	15,029	15,604	16,514	
Securities												
17 U.S. government[5]	7,658	8,949	9,361	9,369	9,594	9,765	9,508	9,810	9,991	9,966	10,072	
18 State and local government	2,930	2,390	2,291	2,326	2,323	2,394	2,271	2,288	2,290	2,293	2,276	
19 Corporate and other[6]	37,086	39,282	38,374	38,180	38,118	38,108	37,874	37,791	37,849	37,781	37,379	
20 Cash	3,156	4,334	4,629	4,791	4,810	5,118	5,039	5,442	5,210	5,412	5,219	
21 Other assets	4,412	5,011	5,469	5,547	5,577	5,681	5,615	5,649	5,781	5,869	5,852	
22 **Liabilities**	**163,405**	**171,564**	**174,578**	**174,761**	**175,234**	**175,693**	**175,258**	**175,728**	**175,938**	**175,763**	**174,776**	**n.a.**
23 Deposits	146,006	154,805	153,757	153,120	153,412	154,066	153,809	155,110	154,843	154,626	154,022	
24 Regular[7]	144,070	151,416	151,394	150,753	151,072	151,975	151,787	153,003	152,801	152,616	151,979	
25 Ordinary savings	61,123	53,971	50,593	49,003	49,254	48,238	48,456	49,425	48,898	48,297	48,412	
26 Time and other	82,947	97,445	100,800	101,750	101,818	103,737	126,889	121,343	120,740	120,282	118,536	
27 Other	1,936	2,086	28,494	27,073	25,769	24,806	2,023	2,108	2,042	2,010	2,043	
28 Other liabilities	5,873	6,695	10,156	11,125	11,458	11,513	11,434	10,632	11,280	11,464	11,132	
29 General reserve accounts	11,525	11,368	10,665	10,516	10,364	10,114	10,015	9,986	9,814	9,672	9,622	
30 MEMO: Mortgage loan commitments outstanding[8]	3,182	1,476	1,401	1,333	1,218	1,140	1,207	1,293	916	950	978	
	Life insurance companies											
31 **Assets**	***432,282***	***479,210***	***503,994***	***506,585***	***509,478***	***515,079***	***519,281***	***521,354***	***525,331***	***526,573***	***530,014***	
Securities												
32 Government	338	21,378	23,691	23,949	24,280	24,621	25,200	25,310	26,157	26,847	27,322	
33 United States[9]	4,888	5,345	7,359	7,544	7,670	7,846	8,321	8,578	9,204	9,887	10,236	
34 State and local	6,428	6,701	6,865	6,904	7,033	7,129	7,148	6,968	7,063	7,043	7,069	
35 Foreign[10]	9,022	9,332	9,467	9,501	9,577	9,646	9,731	9,764	9,890	9,917	10,017	
36 Business	222,332	238,113	250,186	250,371	250,315	253,976	255,632	254,978	257,614	257,318	257,452	
37 Bonds	178,371	190,747	203,016	204,501	205,908	208,004	209,194	208,587	211,686	212,685	213,217	n.a.
38 Stocks	39,757	47,366	41,170	45,870	44,407	45,972	46,438	46,391	45,928	44,633	44,235	
39 Mortgages	118,421	131,080	135,928	136,516	136,982	137,736	138,433	139,046	139,596	139,777	140,259	
40 Real estate	13,007	15,033	17,429	17,626	17,801	18,382	18,629	19,157	19,276	18,999	19,472	
41 Policy loans	34,825	41,411	45,591	46,252	47,042	47,731	48,275	48,741	49,092	49,535	50,083	
42 Other assets	27,563	31,702	31,169	31,971	33,058	32,633	33,112	34,122	33,288	34,097	35,426	
	Credit unions											
43 **Total assets/liabilities and capital**	**65,854**	**71,709**	**76,043**	**75,656**	**76,145**	**76,123**	**76,830**	**77,682**	**78,012**	**78,986**	**81,055**	**81,351**
44 Federal	35,934	39,801	41,678	41,394	41,682	41,727	42,025	42,382	42,512	43,111	44,263	44,371
45 State	29,920	31,908	34,365	34,262	34,463	34,396	34,805	35,300	35,500	35,875	36,792	36,980
46 Loans outstanding	53,125	47,774	50,724	51,207	51,407	51,029	50,631	50,448	49,949	49,610	49,668	49,533
47 Federal	28,698	25,627	27,378	27,701	27,871	27,686	27,508	27,458	27,204	27,051	27,119	27,064
48 State	24,426	22,147	23,346	23,506	23,536	23,343	23,123	22,990	22,745	22,559	22,549	22,469
49 Savings	56,232	64,399	67,690	66,943	67,512	67,625	67,981	68,871	69,432	70,227	72,218	72,569
50 Federal (shares)	35,530	36,348	37,176	36,713	36,928	37,015	37,261	37,574	37,875	38,331	39,431	39,688
51 State (shares and deposits)	25,702	28,051	30,514	30,230	30,584	30,610	30,720	31,297	31,557	31,896	32,787	32,881

For notes see bottom of page A30.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1979	Fiscal year 1980	Fiscal year 1981	Calendar year 1980 H2	Calendar year 1981 H1	Calendar year 1981 H2	Calendar year 1982 Feb	Calendar year 1982 Mar.	Calendar year 1982 Apr
U.S. budget									
1 Receipts[1]	463,302	517,112	599,272	260,569	317,304	301,777	43,042	45,291	75,777
2 Outlays[1,2]	490,997	576,675	657,204	309,389	333,115	358,558	57,822	63,546	66,073
3 Surplus, or deficit (−)	−27,694	−59,563	−57,932	48,821	−15,811	−56,780	−14,780	−18,255	9,704
4 Trust funds	18,335	8,801	6,817	2,551	5,797	8,085	1,892	966	626
5 Federal funds[3]	46,030	68,364	−64,749	46,270	−21,608	−48,697	−12,888	19,221	9,077
Off-budget entities (surplus, or deficit (−))									
6 Federal Financing Bank outlays	13,261	14,549	−20,769	−7,552	−11,046	8,728	−435	−601	−1,153
7 Other[4,5]	793	303	−236	376	900	1,752	222	83	160
U.S. budget plus off-budget, including Federal Financing Bank									
8 Surplus, or deficit (−)	−40,162	73,808	−78,936	−55,998	−27,757	−67,260	−14,993	18,773	8,711
Source or financing									
9 Borrowing from the public	33,641	70,515	79,329	54,764	33,213	54,081	10,693	12,305	2,527
10 Cash and monetary assets (decrease, or increase (−))[6]	−408	355	1,878	6,730	2,873	1,111	4,973	7,035	−11,256
11 Other[7]	6,929	3,648	1,485	7,964	8,328	14,290	−673	−567	19
MEMO:									
12 Treasury operating balance (level, end of period)	24,176	20,990	18,670	12,305	16,389	12,046	20,668	13,001	28,740
13 Federal Reserve Banks	6,489	4,102	3,520	3,062	2,923	4,301	3,835	2,866	12,239
14 Tax and loan accounts	17,687	16,888	15,150	9,243	13,466	7,745	16,833	10,135	16,501

1. The *Budget of the U.S. Government, Fiscal Year 1983,* has reclassified supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other social insurance receipts, as offsetting receipts in the health function.
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. Other off-budget includes petroleum acquisition and transportation, strategic petroleum reserve effective November 1981.
6. 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.
7. Includes accrued interest payable to the public, allocations of special drawing rights; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts, seigniorage; increment on gold; net gain/loss for U.S. currency valuation adjustment, net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin,* and the *Budget of the United States Government, Fiscal Year 1983.*

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 NAMSB 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. Before 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, before 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. *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 1979	Fiscal year 1980	Fiscal year 1981	Calendar year 1980 H2	Calendar year 1981 H1	Calendar year 1981 H2	1982 Feb	1982 Mar.	1982 Apr
RECEIPTS									
1 **All sources**[1]	**463,302**	**517,112**	**599,272**	**260,569**	**317,304**	**301,777**	**43,042**	**45,291**	**75,777**
2 Individual income taxes, net	217,841	244,069	285,917	131,962	142,889	147,035	21,007	13,391	41,672
3 Withheld	195,295	223,763	256,332	120,924	126,101	134,199	23,882	23,307	22,699
4 *Presidential Election Campaign Fund*	36	39	41	4	36	5	4	11	6
5 Nonwithheld	56,215	63,746	76,844	14,592	59,907	17,391	1,608	4,329	35,282
6 Refunds	33,705	43,479	47,299	3,559	43,155	4,559	4,487	14,255	16,315
Corporation income taxes									
7 Gross receipts	71,448	72,380	73,733	28,579	44,048	31,056	3,055	8,435	9,032
8 Refunds	5,771	7,780	12,596	4,518	6,565	738	1,763	1,525	1,690
9 Social insurance taxes and contributions, net	138,939	157,803	182,720	75,679	101,316	91,592	15,109	18,752	21,593
10 Payroll employment taxes and contributions[2]	115,041	133,042	156,953	66,831	83,851	82,984	12,495	17,740	14,642
11 Self-employment taxes and contributions[3]	5,034	5,723	6,041	188	6,240	244	539	488	4,470
12 Unemployment insurance	15,387	15,336	16,129	6,742	9,205	6,355	1,734	130	2,120
13 Other net receipts[1,4]	3,477	3,702	3,598	1,919	2,020	2,009	342	395	362
14 Excise taxes	18,745	24,329	40,839	15,332	21,945	22,097	2,908	3,182	2,732
15 Customs deposits	7,439	7,174	8,083	3,717	3,926	4,661	644	812	704
16 Estate and gift taxes	5,411	6,389	6,787	3,499	3,259	3,742	866	787	582
17 Miscellaneous receipts[5]	9,252	12,748	13,790	6,318	6,487	8,441	1,215	1,457	1,152
OUTLAYS									
18 **All types**[1,6]	**490,997**	**576,675**	**657,204**	**309,389**	**333,115**	**358,558**	**57,822**	**63,546**	**66,073**
19 National defense	117,681	135,856	159,765	72,457	80,005	87,421	14,578	16,436	16,385
20 International affairs	6,091	10,733	11,130	5,430	5,999	4,655	555	1,796	1,111
21 *General science, space, and technology*	5,041	5,722	6,359	3,205	3,314	3,388	568	617	532
22 Energy	6,856	6,313	10,277	3,997	5,677	4,394	446	519	511
23 Natural resources and environment	12,091	13,812	13,525	7,722	6,476	7,296	651	1,017	1,148
24 Agriculture	6,238	4,762	5,572	1,892	3,101	5,181	1,163	2,621	949
25 Commerce and housing credit	2,579	7,788	3,946	3,163	2,073	1,825	259	235	1,178
26 Transportation	17,459	21,120	23,381	11,547	11,991	10,753	2,166	1,241	1,867
27 Community and regional development	9,542	10,068	9,394	5,370	4,621	4,269	439	488	523
28 Education, training, employment, social services	29,685	30,767	31,402	15,221	15,928	13,878	2,198	1,952	2,304
29 Health[1]	46,962	55,220	65,982	29,680	33,113	35,322	5,841	6,578	6,298
30 Income security[6]	160,159	193,100	225,099	107,912	113,490	129,269	20,345	22,074	21,912
31 Veterans benefits and services	19,928	21,183	22,988	11,731	10,531	12,880	1,911	2,273	3,239
32 Administration of justice	4,153	4,570	4,698	2,299	2,344	2,290	381	478	419
33 General government	4,093	4,505	4,614	2,432	2,692	2,311	549	692	123
34 General-purpose fiscal assistance	8,372	8,584	6,856	4,191	3,015	3,043	129	13	1,176
35 Interest	52,566	64,504	82,537	35,909	41,178	47,667	7,634	6,664	7,633
36 Undistributed offsetting receipts[7]	18,488	-21,933	30,320	14,769	12,432	17,281	1,474	1,679	-1,235

1. The *Budget of the U.S. Government, Fiscal Year 1983* has reclassified supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other social insurance receipts, as offsetting receipts in the health function.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. *Old-age, disability, and hospital insurance.*
4. 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 reclassified from an off-budget agency to an on-budget agency in the Department of Labor.
7. 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 1983.*

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1980				1981				1982
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 **Federal debt outstanding**	**870.4**	**884.4**	**914.3**	**936.7**	**970.9**	**977.4**	**1,003.9**	**1,034.7**	**1,066.4**
2 Public debt securities	863.5	877.6	907.7	930.2	964.5	971.2	997.9	1,028.7	1,061.3
3 Held by public	677.1	682.7	710.0	737.7	773.7	771.3	789.8	825.5	858.9
4 Held by agencies	186.3	194.9	197.7	192.5	190.9	199.9	208.1	203.2	202.4
5 Agency securities	7.0	6.8	6.6	6.5	6.4	6.2	6.1	6.0	5.1
6 Held by public	5.5	5.3	5.1	5.0	4.9	4.7	4.6	4.6	3.9
7 Held by agencies	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.2
8 **Debt subject to statutory limit**	**864.5**	**878.7**	**908.7**	**931.2**	**965.5**	**972.2**	**998.8**	**1,029.7r**	**1,062.2**
9 Public debt securities	862.8	877.0	907.1	929.6	963.9	970.6	997.2	1,028.1r	1,062.7
10 Other debt[1]	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.5
11 MEMO: Statutory debt limit	879.0	925.0	925.0	935.1	985.0	985.0	999.8	1,079.8	1,079.8

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	1978	1979	1980	1981	1982				
					Jan.	Feb.	Mar.	Apr.	May
1 **Total gross public debt**	**789.2**	**845.1**	**930.2**	**1,028.7**	**1,038.4**	**1,048.2**	**1,061.3**	**1,065.7**	**1,071.7**
By type									
2 Interest-bearing debt	782.4	844.0	928.9	1,027.3	1,032.7	1,042.2	1,059.8	1,064.5	1,066.4
3 Marketable	487.5	530.7	623.2	720.3	726.5	737.5	752.6	755.8	755.7
4 Bills	161.7	172.6	216.1	245.0	250.6	254.0	256.2	254.9	256.1
5 Notes	265.8	283.4	321.6	375.3	374.4	382.1	395.0	399.7	398.4
6 Bonds	60.0	74.7	85.4	99.9	101.6	101.4	101.4	101.3	101.2
7 Nonmarketable[1]	294.8	313.2	305.7	307.0	306.1	304.7	307.2	308.7	310.7
8 Convertible bonds[2]	2.2	2.2	....	....	....	....	....	....	....
9 State and local government series	24.3	24.6	23.8	23.0	22.7	22.7	23.2	23.2	23.4
10 Foreign issues[3]	29.6	28.8	24.0	19.0	18.9	18.4	19.6	19.4	18.4
11 Government	28.0	23.6	17.6	14.9	14.8	14.3	15.6	15.4	14.8
12 Public	1.6	5.3	6.4	4.1	4.1	4.1	4.1	4.1	3.6
13 Savings bonds and notes	80.9	79.9	72.5	68.1	67.8	67.6	67.4	67.3	67.3
14 Government account series[4]	157.5	177.5	185.1	196.7	196.4	195.7	196.7	198.5	201.3
15 Non-interest-bearing debt	6.8	1.2	1.3	1.4	5.7	6.0	1.5	1.1	5.3
By holder[5]									
16 U.S. government agencies and trust funds	170.0	187.1	192.5	203.3	202.8	201.1			
17 Federal Reserve Banks	109.6	117.5	121.3	131.0	127.7	125.4			
18 Private investors	508.6	540.5	616.4	694.5	707.3	720.8			
19 Commercial banks	93.2	96.4	116.0	109.4	111.4	111.8			
20 Mutual savings banks	5.0	4.7	5.4	5.2	5.4	5.4			
21 Insurance companies	15.7	16.7	20.1	19.1	19.5	18.7	n.a.	n.a.	n.a.
22 Other companies	19.6	22.9	25.7	37.8	37.9	37.5			
23 State and local governments	64.4	69.9	78.8	85.6	86.2	86.2			
Individuals									
24 Savings bonds	80.7	79.9	72.5	68.0	67.9	67.7			
25 Other securities	30.3	36.2	56.7	75.6	76.2	77.0			
26 Foreign and international[6]	137.8	124.4	127.7	141.4	142.1	140.0			
27 Other miscellaneous investors[7]	58.9	90.1	106.9	152.3	160.7	174.5			

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 $1\frac{1}{2}$ 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.

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.

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	1980	1981	1982 Feb.	1982 Mar.	1980	1981	1982 Feb	1982 Mar.
	All maturities				1 to 5 years			
1 **All holders**	**623,186**	**720,293**	**737,532**	**752,620**	**197,409**	**228,550**	**234,503**	**242,354**
2 U.S. government agencies and trust funds	9,564	8,669	8,042	8,001	1,990	1,906	1,906	1,906
3 Federal Reserve Banks	121,328	130,954	124,819	125,589	835	38,223	35,425	37,193
4 Private investors	492,294	580,671	604,671	619,030	159,585	188,422	197,172	203,254
5 Commercial banks	77,868	74,618	77,688	79,398	44,482	39,021	40,449	41,420
6 Mutual savings banks	3,917	3,971	4,206	4,533	1,925	1,870	1,961	2,253
7 Insurance companies	11,930	12,090	12,409	13,088	4,504	5,596	5,766	5,945
8 Nonfinancial corporations	7,758	4,214	4,305	4,318	2,203	1,146	1,024	1,073
9 Savings and loan associations	4,225	4,122	4,767	4,849	2,289	2,260	2,508	2,460
10 State and local governments	21,058	18,991	21,581	21,740	4,595	4,278	4,766	4,707
11 All others	365,539	462,663	479,714	491,104	99,577	134,251	140,699	145,396
	Total, within 1 year				5 to 10 years			
12 **All holders**	**297,385**	**340,082**	**353,309**	**357,073**	**56,037**	**63,483**	**57,279**	**60,785**
13 U.S. government agencies and trust funds	830	647	20	20	1,404	779	779	779
14 Federal Reserve Banks	56,858	64,113	62,593	61,579	13,548	11,854	10,093	10,102
15 Private investors	239,697	275,322	290,695	295,473	41,175	50,851	46,407	49,904
16 Commercial banks	25,197	29,480	31,448	31,579	5,793	4,496	2,858	3,120
17 Mutual savings banks	1,246	1,569	1,748	1,774	455	238	185	196
18 Insurance companies	1,940	2,201	2,213	2,350	3,037	2,507	2,329	2,578
19 Nonfinancial corporations	4,281	2,421	2,604	2,329	357	344	268	292
20 Savings and loan associations	1,646	1,731	2,032	2,140	216	98	158	163
21 State and local governments	7,750	7,536	7,770	6,974	2,030	2,365	2,299	2,419
22 All others	197,636	230,383	242,880	248,328	29,287	40,804	38,310	41,136
	Bills, within 1 year				10 to 20 years			
23 **All holders**	**216,104**	**245,015**	**254,037**	**256,212**	**36,854**	**44,744**	**46,432**	**46,399**
24 U.S. government agencies and trust funds	1	*	2	2	3,686	3,996	3,996	3,952
25 Federal Reserve Banks	43,971	49,679	46,961	45,692	5,919	6,692	6,617	6,624
26 Private investors	172,132	195,335	207,074	210,518	27,250	34,055	35,819	35,822
27 Commercial banks	9,856	9,667	11,504	11,575	1,071	873	1,083	1,328
28 Mutual savings banks	394	423	582	559	181	151	171	170
29 Insurance companies	672	760	681	784	1 718	1,119	1,325	1,361
30 Nonfinancial corporations	2,363	1,173	1,731	1,544	431	131	200	267
31 Savings and loan associations	818	363	737	822	52	16	26	21
32 State and local governments	5,413	5,126	5,236	4,327	3,597	2,824	4,238	4,872
33 All others	152,616	177,824	186,603	190,905	20,200	28,940	28,776	27,804
	Other, within 1 year				Over 20 years			
34 **All holders**	**81,281**	**95,068**	**99,272**	**100,861**	**35,500**	**43,434**	**46,010**	**46,010**
35 U.S. government agencies and trust funds	829	647	19	18	1,656	1,340	1,340	1,343
36 Federal Reserve Banks	12,888	14,433	15,632	15,887	9,258	10,073	10,092	10,002
37 Private investors	67,565	79,987	83,622	84,956	24,587	32,020	34,578	34,576
38 Commercial banks	15,341	19,814	19,945	20,003	1,325	749	1,850	1,952
39 Mutual savings banks	852	1,146	1,167	1,215	110	144	141	140
40 Insurance companies	1,268	1,442	1,532	1,565	730	666	776	853
41 Nonfinancial corporations	1,918	1,248	873	785	476	172	209	358
42 Savings and loan associations	828	1,368	1,295	1,318	21	17	43	65
43 State and local governments	2,337	2,410	2,534	2,647	3,086	1,988	2,508	2,767
44 All others	45,020	52,560	56,277	57,423	18,838	28,285	29,049	28,440

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, 1982: (1) 5,297 commercial banks, 444 mutual savings banks, and 725 insurance companies, each about 80 percent; (2) 408 nonfinancial corporations and 467 savings and loan associations, each about 50 percent, and (3) 489 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.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

	Item	1979	1980	1981	1982			1982, week ending Wednesday				
					Feb.	Mar.ʳ	Apr.	Apr. 21	Apr. 28	May 5	May 12	May 19
	Immediate delivery[1]											
1	U.S. government securities	13,183	18,331	24,728	30,524	27,384	28,424	33,233	27,747	25,319	32,778	31,248
	By maturity											
2	Bills	7,915	11,413	14,768	17,557	14,995	16,090	20,210	14,489	13,334	16,464	17,698
3	Other within 1 year	454	421	621	665	742	910	1,069	893	802	600	619
4	1–5 years	2,417	3,330	4,360	6,070	5,606	5,288	5,312	6,930	6,215	7,045	6,308
5	5–10 years	1,121	1,464	2,451	2,968	2,843	3,136	2,941	2,492	2,182	3,964	2,986
6	Over 10 years	1,276	1,704	2,528	3,264	3,199	2,999	3,702	2,942	2,786	4,704	3,636
	By type of customer											
7	U.S. government securities dealers	1,448	1,484	1,640	1,556	1,386	1,718	1,951	2,080	1,221	1,779	1,927
8	U.S. government securities brokers	5,170	7,610	11,750	15,239	13,701	13,669	15,995	13,460	11,406	16,949	15,547
9	All others[2]	6,564	9,237	11,337	13,729	12,296	13,037	15,288	12,207	12,692	14,049	13,773
10	Federal agency securities	2,723	3,258	3,306	3,617	3,315	3,620	3,839	3,999	2,911	4,101	3,891
11	Certificates of deposit	1,764	2,472	4,477	4,961	4,355	4,495	4,835	4,846	4,076	5,181	4,890
12	Bankers acceptances			1,807	2,208	2,115	2,434	2,539	2,344	2,009	2,391	2,204
13	Commercial paper			6,128	7,791	7,217	7,537	7,708	7,291	8,373	7,685	7,859
	Futures transactions[3]											
14	Treasury bills			3,523	4,682	5,095	4,447	5,493	4,001	4,028	5,299	6,219
15	Treasury coupons			1,330	1,545	1,179	959	1,287	953	995	2,170	1,691
16	Federal agency securities	n.a.	n.a.	234	261	204	216	315	170	177	250	258
	Forward transactions[4]											
17	U.S. government securities			365	876	493	371	340	703	564	1,039	375
18	Federal agency securities			1,370	1,409	1,358	951	1,163	354	804	588	462

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

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

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

1.44 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

	Item	1979	1980	1981	1982			1982, week ending Wednesday				
					Feb.	Mar.	Apr.	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28
		Positions										
	Net immediate[1]											
1	U.S. government securities	3,223	4,306	9,033	9,879	12,247	12,564	12,668	14,710	12,737	12,480	11,185
2	Bills	3,813	4,103	6,485	4,557	6,594	7,718	7,406	9,318	8,061	8,202	6,008
3	Other within 1 year	325	1,062	1,526	83	118	99	256	14	67	77	234
4	1–5 years	455	434	1,488	3,287	3,333	2,902	3,640	2,827	2,728	2,542	3,398
5	5–10 years	160	166	292	580	513	520	906	35	419	776	822
6	Over 10 years	30	665	2,294	2,532	2,952	2,563	2,784	2,517	2,301	2,588	2,835
7	Federal agency securities	1,471	797	2,277	2,311	2,505	2,916	2,587	2,797	3,353	2,838	2,796
8	Certificates of deposit	2,794	3,115	3,435	3,389	3,884	4,467	3,817	4,310	4,645	4,546	4,445
9	Bankers acceptances			1,746	1,953	2,276	2,530	2,736	2,907	2,783	2,403	2,212
10	Commercial paper			2,658	2,560	3,151	3,229	3,291	3,323	3,329	3,243	3,101
	Future positions											
11	Treasury bills			8,934	7,588	6,652	5,463	-4,737	1,658	2,873	6,481	9,062
12	Treasury coupons	n.a.	n.a.	2,733	2,593	2,528	2,896	2,195	2,008	2,375	3,098	3,693
13	Federal agency securities			522	493	161	403	227	-66	282	544	603
	Forwards positions											
14	U.S. government securities			603	719	518	590	404	-707	574	569	541
15	Federal agency securities			451	1,207	1,007	-1,064	904	1,074	1,215	1,080	943
		Financing[2]										
	Reverse repurchase agreements[3]											
16	Overnight and continuing			14,568	21,854	24,745	26,924	27,512	26,453	25,045	26,003	30,196
17	Term agreements			32,048	45,520	42,608	46,509	39,137	43,803	41,158	49,365	51,710
	Repurchase agreements[4]	n.a.	n.a.									
18	Overnight and continuing			35,919	43,005	48,139	53,246	51,909	51,089	49,996	51,437	60,463
19	Term agreements			29,449	38,313	38,833	43,140	37,628	41,795	41,712	45,983	43,069

For notes see opposite page.

1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1978	1979	1980	1981				1982		
				Sept.	Oct.	Nov	Dec	Jan.	Feb.	Mar.
1 **Federal and federally sponsored agencies[1]**	**137,063**	**163,290**	**193,229**	**223,393**	**226,010**	**226,269**	**227,210**	**226,418**	**226,539**	**228,749**
2 Federal agencies	23,488	24,715	28,606	30,870	31,069	31,156	31,806	31,053	30,806	31,408
3 Defense Department[2]	968	738	610	516	514	490	484	470	460	454
4 Export-Import Bank[3,4]	8,711	9,191	11,250	12,855	12,845	12,829	13,339	13,135	12,861	13,421
5 Federal Housing Administration[5]	588	537	477	432	427	419	413	406	397	382
6 Government National Mortgage Association participation certificates[6]	3,141	2,979	2,817	2,715	2,715	2,715	2,715	2,191	2,165	2,165
7 Postal Service[7]	2,364	1,837	1,770	1,538	1,538	1,538	1,538	1,538	1,538	1,538
8 Tennessee Valley Authority	7,460	8,997	11,190	12,599	12,830	12,965	13,115	13,115	13,187	13,250
9 United States Railway Association[7]	356	436	492	215	200	200	202	198	198	198
10 Federally sponsored agencies[1]	113,575	138,575	164,623	192,523	194,941	195,113	195,404	195,365	195,733	197,341
11 Federal Home Loan Banks	27,563	33,330	41,258	58,276	57,990	57,854	58,090	57,387	57,743	58,839
12 Federal Home Loan Mortgage Corporation	2,262	2,771	2,536	2,308	2,308	2,608	2,604	2,604	2,604	2,500
13 Federal National Mortgage Association	41,080	48,486	55,185	56,688	57,805	58,533	58,749	58,860	59,018	59,270
14 Federal Land Banks	20,360	16,006	12,365	10,317	9,717	9,717	9,717	8,717	8,717	8,717
15 Federal Intermediate Credit Banks	11,469	2,676	1,821	1,388	1,388	1,388	1,388	1,388	1,388	1,388
16 Banks for Cooperatives	4,843	584	584	220	220	220	220	220	220	220
17 Farm Credit Banks[1]	5,081	33,216	48,153	59,024	60,911	60,191	60,034	61,187	61,041	61,405
18 Student Loan Marketing Association[8]	915	1,505	2,720	4,300	4,600	4,600	4,600	5,000	5,000	5,000
19 Other	2	1	1	2	2	2	2	2	2	2
Memo:										
20 **Federal Financing Bank debt[1,9]**	**51,298**	**67,383**	**87,460**	**107,309**	**108,171**	**109,495**	**110,698**	**111,965**	**112,367**	**113,567**
Lending to federal and federally sponsored agencies										
21 Export-Import Bank[1]	6,898	8,353	10,654	12,409	12,409	12,409	12,741	12,741	12,741	13,305
22 Postal Service[7]	2,114	1,587	1,520	1,288	1,288	1,288	1,288	1,288	1,288	1,288
23 Student Loan Marketing Association[8]	915	1,505	2,720	4,300	4,600	4,600	4,600	5,000	5,000	5,000
24 Tennessee Valley Authority	5,635	7,272	9,465	10,874	11,105	11,240	11,390	11,435	11,462	11,525
25 United States Railway Association[7]	356	436	492	215	200	200	202	198	198	198
Other Lending[10]										
26 Farmers Home Administration	23,825	32,050	39,431	48,821	48,571	49,029	48,821	49,026	49,081	48,681
27 Rural Electrification Administration	4,604	6,484	9,196	12,343	12,674	12,924	13,516	13,836	13,989	14,452
28 Other	6,951	9,696	13,982	17,059	17,324	17,805	18,140	18,441	18,608	19,118

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.

NOTES TO TABLE 1.44

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.

1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1979	1980	1981	1981					1982		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.^r	Feb.^r	Mar.
1 **All issues, new and refunding**[1]	**43,365**	**48,367**	**47,732**	**3,113**	**3,910**	**4,097**	**5,355**	**4,744**	**3,853**	**3,679**	**5,549**
Type of issue											
2 General obligation	12,109	14,100	12,394	1,000	560	748	1,315	749	1,036	1,051	1,733
3 U.S. government loans[2]	53	38	34	8	2	2	3	1	2	0	9
4 Revenue	31,256	34,267	35,338	2,113	3,350	3,349	4,040	3,995	2,817	2,628	3,816
5 U.S. government loans[2]	67	57	55	4	9	5	2	3	4	6	5
Type of issuer											
6 State	4,314	5,304	5,288	446	92	439	518	315	514	234	430
7 Special district and statutory authority	23,434	26,972	27,499	1,701	2,749	2,467	3,439	3,308	2,123	2,150	2,915
8 Municipalities, counties, townships, school districts	15,617	16,090	14,945	966	1,070	1,191	1,398	1,120	1,216	1,295	2,204
9 **Issues for new capital, total**	**41,505**	**46,736**	**46,530**	**2,460**	**3,904**	**4,009**	**5,318**	**4,683**	**3,696**	**3,638**	**4,666**
Use of proceeds											
10 Education	5,130	4,572	4,547	257	153	203	576	561	236	261	394
11 Transportation	2,441	2,621	3,447	113	222	499	286	355	138	206	360
12 Utilities and conservation	8,594	8,149	10,037	524	1,626	700	757	955	1,178	1,272	697
13 Social welfare	15,968	19,958	12,729	770	515	953	1,873	1,813	892	823	1,755
14 Industrial aid	3,836	3,974	7,651	316	874	1,015	676	523	447	477	609
15 Other purposes	5,536	7,462	8,119	480	514	639	1,150	476	805	599	851

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

SOURCE. Public Securities Association.

1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1979	1980	1981	1981					1982		
				Aug	Sept	Oct.	Nov.	Dec.	Jan.^r	Feb.^r	Mar.
1 **All issues**[1]	**51,533**	**73,694**	**69,283**	**3,097**	**4,696**	**4,368**	**8,518**	**5,908**	**2,954**	**3,294**	**6,436**
2 **Bonds**	**40,208**	**53,206**	**44,643**	**1,616**	**2,797**	**2,845**	**6,724**	**3,893**	**1,278**	**1,879**	**4,512**
Type of offering											
3 Public	25,814	41,587	37,653	905	2,198	2,582	6,560	3,576	614	1,464	3,540
4 Private placement	14,394	11,619	6,989	711	599	263	164	317	664	415	972
Industry group											
5 Manufacturing	9,678	15,409	12,325	308	452	21	2,054	954	283	262	708
6 Commercial and miscellaneous	3,948	6,693	5,229	390	201	617	949	850	230	59	691
7 Transportation	3,119	3,329	2,054	95	63	51	130	82	43	3	224
8 Public utility	8,153	9,557	8,963	360	1,012	1,008	802	582	493	345	1,568
9 Communication	4,219	6,683	4,280	115	471	83	326	106	8	364	84
10 Real estate and financial	11,094	11,534	11,793	348	598	1,065	2,463	1,319	221	845	1,236
11 **Stocks**	**11,325**	**20,489**	**24,642**	**1,481**	**1,899**	**1,523**	**1,794**	**2,015**	**1,676**	**1,415**	**1,924**
Type											
12 Preferred	3,574	3,631	1,796	14	186	141	59	80	199	185	199
13 Common	7,751	16,858	22,846	1,467	1,713	1,382	1,735	1,935	1,477	1,230	1,725
Industry group											
14 Manufacturing	1,679	4,839	4,838	160	117	193	407	258	129	67	394
15 Commercial and miscellaneous	2,623	5,245	7,436	661	487	449	564	456	723	426	653
16 Transportation	255	549	735	91	87	23	15	23	25	73	27
17 Public utility	5,171	6,230	5,486	248	514	438	405	604	449	743	547
18 Communication	303	567	1,778	12	369	7	85	95	58	2	3
19 Real estate and financial	1,293	3,059	4,371	310	325	412	318	580	292	104	301

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

SOURCE. Securities and Exchange Commission.

1.48 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1980	1981	1981				1982			
			Sept.	Oct.	Nov	Dec.	Jan.	Feb.	Mar r	Apr.
INVESTMENT COMPANIES[1]										
1 Sales of own shares[2]	15,266	20,596	1,768	1,729	2,140	3,032	2,049	2,049	3,325	2,753
2 Redemptions of own shares[3]	12,012	15,866	1,457	593	1,125	1,769	1,475	1,456	2,056	2,305
3 Net sales	3,254	4,730	8	1,175	604	371	1,557	593	1,269	448
4 Assets[4]	58,400	55,207	51,659	54,335	57,408	55,207	54,347	52,695	53,001	55,981
5 Cash position[5]	5,321	5,277	5,409	5,799	6,269	5,277	5,424	5,540	5,752	6,079
6 Other	53,079	49,930	46,250	48,536	51,139	49,930	48,923	47,155	47,249	49,912

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	1979	1980	1981	1980			1981			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Corporate profits with inventory valuation and capital consumption adjustment	196.8	182.7	191.7	169.3	177.9	183.3	203.0	190.3	195.7	177.6
2 Profits before tax	255.3	245.5	233.3	217.9	237.6	249.5	257.0	229.0	234.4	212.8
3 Profits tax liability	87.6	82.3	77.7	71.5	78.5	85.2	87.7	76.4	78.1	68.8
4 Profits after tax	167.7	163.2	155.5	146.4	159.1	164.3	169.3	152.7	156.3	144.0
5 Dividends	50.1	56.0	63.1	55.7	56.7	57.7	59.6	62.0	64.8	66.0
6 Undistributed profits	117.6	107.2	92.4	90.7	102.4	106.6	109.6	90.6	91.5	78.0
7 Inventory valuation	42.6	−45.7	27.7	31.1	41.7	48.4	39.2	−24.0	−25.3	22.3
8 Capital consumption adjustment	15.9	−17.2	−13.9	17.6	−17.9	17.8	14.7	−14.7	−13.4	12.8

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	1981			
						Q4	Q1	Q2	Q3	Q4
1 **Current assets**	**759.0**	**826.8**	**902.1**	**1,030.0**	**1,200.9**	**1,281.6**	**1,321.2**	**1,317.4**	**1,349.2**	**1,361.4**
2 Cash	82.1	88.2	95.8	104.5	116.1	121.0	120.5	118.5	118.3	124.5
3 U.S. government securities	19.0	23.4	17.6	16.3	15.6	17.3	17.0	17.7	16.0	15.8
4 Notes and accounts receivable	272.1	292.8	324.7	383.8	456.8	491.2	507.3	507.4	519.7	512.3
5 Inventories	315.9	342.4	374.8	426.9	501.7	525.4	542.8	540.0	557.2	
6 Other	69.9	80.1	89.2	98.5	110.8	126.7	133.6	133.7	138.1	
7 **Current liabilities**	**451.6**	**494.7**	**549.4**	**665.5**	**809.1**	**877.2**	**910.9**	**908.1**	**951.1**	**962.3**
8 Notes and accounts payable	264.2	281.9	313.2	373.7	456.3	498.3	504.0	500.8	529.1	541.3
9 Other	187.4	212.8	236.2	291.7	352.8	378.9	406.9	407.2	422.0	421.0
10 **Net working capital**	**307.4**	**332.2**	**352.7**	**364.6**	**391.8**	**404.4**	**410.3**	**409.3**	**398.1**	**399.1**
11 MEMO: Current ratio [1]	1.681	1.672	1.642	1.548	1.484	1.461	1.450	1.451	1.419	1.415

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

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

All data in this table reflect the most current benchmarks. Complete data are available upon request from the Flow of Funds Section, Division of Research and Statistics.

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	1980	1981	1982	1981			1982			
				Q2[1]	Q3	Q4	Q1	Q2[1]	Q3[1]	Q4[1]
1 **Total nonfarm business**	**295.63**	**321.49**	**328.60**	**316.73**	**328.25**	**327.83**	**327.72**	**323.75**	**328.04**	**334.78**
Manufacturing										
2 Durable goods industries	58.91	61.84	61.17	63.10	62.58	60.78	60.84	60.67	61.44	61.82
3 Nondurable goods industries	56.90	64.95	66.12	62.40	67.53	66.14	67.48	65.02	67.11	65.19
Nonmanufacturing										
4 Mining	13.51	16.86	17.24	16.80	17.55	16.81	17.60	16.33	16.71	18.29
Transportation										
5 Railroad	4.25	4.24	4.66	4.38	4.18	4.18	4.56	4.61	4.92	4.55
6 Air	4.01	3.81	3.84	3.29	3.34	4.82	3.20	3.39	4.12	4.66
7 Other	3.82	4.00	4.07	4.04	4.09	4.12	4.23	4.00	3.93	4.13
Public utilities										
8 Electric	28.12	29.74	31.30	29.32	30.54	31.14	30.95	31.90	30.65	31.67
9 Gas and other	7.32	8.65	8.25	8.53	9.01	8.60	9.17	8.13	7.60	8.38
10 Trade and services	81.79	86.33	88.79	85.88	87.55	88.33	87.80	87.62	88.07	91.16
11 Communication and other[2]	36.99	41.06	43.15	39.02	41.89	42.92	41.89	42.08	43.48	44.94

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	1976	1977	1978	1979	1980	1981 Q1	1981 Q2	1981 Q3	1981 Q4r	1982 Q1
ASSETS										
Accounts receivable, gross										
1 Consumer	38.6	44.0	52.6	65.7	73.6	76.1	79.0	84.5	85.5	85.1
2 Business	44.7	55.2	63.3	70.3	72.3	72.7	78.2	76.9	80.6	80.9
3 Total	83.4	99.2	116.0	136.0	145.9	148.7	157.2	161.3	166.1	166.0
4 LESS: Reserves for unearned income and losses	10.5	12.7	15.6	20.0	23.3	24.3	25.7	27.7	28.9	29.1
5 Accounts receivable, net	72.9	86.5	100.4	116.0	122.6	124.5	131.4	133.6	137.2	136.9
6 Cash and bank deposits	2.6	2.6	3.5							
7 Securities	1.1	.9	1.3	24.9[1]	27.5	30.8	31.6	34.5	34.2	35.0
8 All other	12.6	14.3	17.3							
9 **Total assets**	**89.2**	**104.3**	**122.4**	**140.9**	**150.1**	**155.3**	**163.0**	**168.1**	**171.4**	**171.9**
LIABILITIES										
10 Bank loans	6.3	5.9	6.5	8.5	13.2	13.1	14.4	14.7	15.4	15.4
11 Commercial paper	23.7	29.6	34.5	43.3	43.4	44.2	49.0	51.2	51.2	46.2
Debt										
12 Short-term, n.e.c.	5.4	6.2	8.1	8.2	7.5	8.2	8.5	11.9	9.6	9.0
13 Long-term, n.e.c.	32.3	36.0	43.6	46.7	52.4	51.6	52.6	50.7	54.8	59.0
14 Other	8.1	11.5	12.6	14.2	14.3	17.3	17.0	17.1	17.8	19.0
15 Capital, surplus, and undivided profits	13.4	15.1	17.2	19.9	19.4	20.9	21.5	22.4	22.8	23.3
16 **Total liabilities and capital**	**89.2**	**104.3**	**122.4**	**140.9**	**150.1**	**155.3**	**163.0**	**168.1**	**171.4**	**171.9**

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, 1982[1]	Changes in accounts receivable 1982 Jan.	Changes in accounts receivable 1982 Feb.	Changes in accounts receivable 1982 Mar.	Extensions 1982 Jan.	Extensions 1982 Feb.	Extensions 1982 Mar.	Repayments 1982 Jan.	Repayments 1982 Feb.	Repayments 1982 Mar.
1 **Total**	**80,890**	**119**	**652**	**−418**	**17,496**	**19,436**	**18,148**	**17,377**	**18,784**	**18,566**
2 Retail automotive (commercial vehicles)	11,509	14	168	34	873	1,076	962	859	908	928
3 Wholesale automotive	12,661	70	351	634	4,565	5,420	3,916	4,635	5,771	4,550
4 Retail paper on business, industrial, and farm equipment	27,651	60	804	384	1,566	1,919	1,538	1,626	1,115	1,154
5 Loans on commercial accounts receivable and factored commercial accounts receivable	8,985	258	52	140	8,565	8,939	9,774	8,307	8,991	9,634
6 All other business credit	20,084	23	83	−342	1,927	2,082	1,958	1,950	1,999	2,300

1. Not seasonally adjusted.

1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1979	1980	1981	1981 Oct.	1981 Nov.	1981 Dec.	1982 Jan.	1982 Feb.	1982 Mar.	1982 Apr.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms[1]										
1 Purchase price (thousands of dollars)	74.4	83.4	90.4	89.2	84.5	88.7	102.6	97.3	90.0r	95.1
2 Amount of loan (thousands of dollars)	53.3	59.2	65.3	63.5	62.7	64.4	71.3	71.1	65.4r	70.6
3 Loan/price ratio (percent)	73.9	73.2	74.8	73.0	77.3	75.3	73.5	76.5	75.7r	77.7
4 Maturity (years)	28.5	28.2	27.7	27.4	23.4	27.7	27.4	28.1	27.4r	28.8
5 Fees and charges (percent of loan amount)[2]	1.66	2.09	2.67	2.86	2.52	2.87	2.55	3.01	2.90r	3.26
6 Contract rate (percent per annum)	10.48	12.25	14.16	15.04	15.68	15.23	14.66	14.44	14.93r	15.08
Yield (percent per annum)										
7 FHLBB series[3]	10.77	12.65	14.74	15.65	16.38	15.87	15.25	15.12	15.67r	15.78
8 HUD series[4]	11.15	13.95	16.52	18.05	16.95	17.00	17.30	17.20	16.80	16.65
SECONDARY MARKETS										
Yield (percent per annum)										
9 FHA mortgages (HUD series)[5]	10.87	13.42	16.29	17.43	15.98	16.43	17.38	17.10	16.41	16.31
10 GNMA securities[6]	10.22	12.55	15.29	16.54	15.10	15.51	16.19	16.21	15.54	15.40
FNMA auctions[7]										
11 Government-underwritten loans	11.17	14.11	16.70	18.13	16.64	16.92	17.80	18.00	17.29	0.0
12 Conventional loans	11.77	14.43	16.64	18.61	17.20	16.95	17.33	17.91	17.09	16.66
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
13 Total	48,050r	55,104	58,675	60,489	60,949	61,412	61,721	62,112	62,544	63,132
14 FHA/VA-insured	33,673	37,364	39,342	40,043	40,056	39,997	39,937	39,926	39,893	39,834
15 Conventional	14,377	17,724	19,334	20,445	20,885	21,435	21,784	22,185	22,654	23,298
Mortgage transactions (during period)										
16 Purchases	10,812	8,099	6,112	1,000	594	655	430	519	604	755
17 Sales	0	0	2	0	0	0	0	0	0	0
Mortgage commitments[8]										
18 Contracted (during period)	10,179	8,083	9,331	533	560	1,272	813	1,174	1,903r	2,482
19 Outstanding (end of period)	6,409	3,278	3,717r	3,447	3,354	3,717r	3,536	3,857	4,990r	6,586
Auction of 4-month commitments to buy										
Government-underwritten loans										
20 Offered	8,860.4	8,605.4	2,487.2	66.3	79.0	59.2	41.5	41.7	45.7	7.0
21 Accepted	3,920.9	4,002.0	1,478.0	37.3	34.4	27.0	30.8	23.4	29.6	0.0
Conventional loans										
22 Offered	4,495.3	3,639.2	2,524.7	43.2	147.7	84.4	31.7	28.6	65.0	29.5
23 Accepted	2,343.6	1,748.5	1,392.3	27.5	63.1	48.0	11.5	13.6	32.3	22.0
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[9]										
24 Total	3,543	4,362	5,245	5,469	5,283	5,255	5,240	5,342	5,320	5,274
25 FHA/VA	1,995	2,116	2,236	2,267	2,232	2,227	2,209	2,218	2,227	2,226
26 Conventional	1,549	2,246	3,010	3,202	3,051	3,028	3,032	3,124	3,094	3,048
Mortgage transactions (during period)										
27 Purchases	5,717	3,723	3,789	290	416	1,140	1,628	1,228	1,479	2,143
28 Sales	4,544	2,527	3,531	244	596	1,158	1,629r	1,115	1,564	2,177
Mortgage commitments[10]										
29 Contracted (during period)	5,542	3,859	6,974	1,834	2,011	203	328	565	2,523	2,824
30 Outstanding (end of period)	797	447	3,518	2,863	4,451	3,518	5,033	4,336	5,461	6,041

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups. Compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.
3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.
4. Average contract rates on new commitments for conventional first mortgages, 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. 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.
9. Includes participation as well as whole loans.
10. Includes conventional and government-underwritten loans.

1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

	Type of holder, and type of property	1979	1980	1981	1981 Q1	1981 Q2	1981 Q3	1981 Q4	1982 Q1r
1	**All holders**	**1,326,785**	**1,445,966**	**1,544,784r**	**1,468,053**	**1,499,066**	**1,525,599r**	**1,544,784r**	**1,559,620**
2	1- to 4-family	880,369	961,340	1,021,140r	974,411	993,793r	1,010,838r	1,021,140r	1,029,059
3	Multifamily	128,167	136,953	141,271r	137,946	139,199	140,010r	141,271r	142,686
4	Commercial	235,572	255,655	280,566r	261,242	268,562r	274,719r	280,566r	284,099
5	Farm	82,677	92,018	101,807	94,454	97,512	100,032	101,807	103,776
6	Major financial institutions	938,567	997,168	1,044,037	1,007,240	1,023,793	1,036,880	1,044,037	1,045,187
7	Commercial banks[1]	245,187	263,030	286,626	266,734	273,225	281,126	286,626	291,426
8	1- to 4-family	149,460	160,326	172,549	161,758	164,873	169,378	172,549	175,326
9	Multifamily	11,180	12,924	14,905	13,282	13,800	14,478	14,905	15,126
10	Commercial	75,957	81,081	90,717	83,133	86,091	88,836	90,717	92,499
11	Farm	8,590	8,699	8,455	8,561	8,461	8,434	8,455	8,475
12	Mutual savings banks	98,908	99,865	100,015	99,719	99,993	99,994	100,015	98,500
13	1- to 4-family	66,140	67,489	68,200	67,619	68,035	68,116	68,200	67,086
14	Multifamily	16,557	16,058	15,962	15,955	15,909	15,939	15,962	15,611
15	Commercial	16,162	16,278	15,813	16,105	15,999	15,909	15,813	15,763
16	Farm	49	40	40	40	50	30	40	40
17	Savings and loan associations	475,688	503,192	518,350	507,556	515,256	518,778	518,350	515,125
18	1- to 4-family	394,345	419,763	432,978r	423,606	430,702r	433,750r	432,978r	430,084
19	Multifamily	37,579	38,142	37,684r	38,219	38,077	37,975r	37,684r	37,450
20	Commercial	43,764	45,287	47,688r	45,731	46,477r	47,053r	47,688r	47,591
21	Life insurance companies	118,784	131,081	139,046	133,231	135,319	136,982	139,046	140,136
22	1- to 4-family	16,193	17,943	17,382	17,847	17,646	17,512	17,382	17,332
23	Multifamily	19,274	19,514	19,486	19,579	19,603	19,592	19,486	19,674
24	Commercial	71,137	80,666	89,089	82,839	85,038	86,742	89,089	90,105
25	Farm	12,180	12,958	13,089	12,966	13,032	13,136	13,089	13,025
26	Federal and related agencies	97,084	114,300	126,112	116,243	119,124	121,772	126,112	128,725
27	Government National Mortgage Association	3,852	4,642	4,765	4,826	4,972	4,382	4,765	4,438
28	1- to 4-family	763	704	693	696	698	696	693	689
29	Multifamily	3,089	3,938	4,072	4,130	4,274	3,686	4,072	3,749
30	Farmers Home Administration	1,274	3,492	2,235	2,837	2,662	1,562	2,235	2,469
31	1- to 4-family	417	916	914	1,321	1,151	500	914	715
32	Multifamily	71	610	473	528	464	242	473	615
33	Commercial	174	411	506	479	357	325	506	499
34	Farm	612	1,555	342	509	690	495	342	640
35	Federal Housing and Veterans Administration	5,555	5,640	5,999	5,799	5,895	6,005	5,999	6,007
36	1- to 4-family	1,955	2,051	2,289	2,135	2,172	2,240	2,289	2,267
37	Multifamily	3,600	3,589	3,710	3,664	3,723	3,765	3,710	3,740
38	Federal National Mortgage Association	51,091	57,327	61,412	57,362	57,657	59,682	61,412	62,544
39	1- to 4-family	45,488	51,775	55,986	51,842	52,181	54,227	55,986	57,142
40	Multifamily	5,603	5,552	5,426	5,520	5,476	5,455	5,426	5,402
41	Federal Land Banks	31,277	38,131	46,446	40,258	42,681	44,708	46,446	47,947
42	1- to 4-family	1,552	2,099	2,788	2,228	2,401	2,605	2,788	2,874
43	Farm	29,725	36,032	43,658	38,030	40,280	42,103	43,658	45,073
44	Federal Home Loan Mortgage Corporation	4,035	5,068	5,255	5,161	5,257	5,433	5,255	5,320
45	1- to 4-family	3,059	3,873	4,018	3,953	4,025	4,166	4,018	4,075
46	Multifamily	976	1,195	1,237	1,208	1,232	1,267	1,237	1,245
47	Mortgage pools or trusts[2]	119,278	142,258	162,273	147,246	152,308	158,140	162,273	169,559
48	Government National Mortgage Association	76,401	93,874	105,790	97,184	100,558	103,750	105,790	108,645
49	1- to 4-family	74,546	91,602	103,007	94,810	98,057	101,068	103,007	105,769
50	Multifamily	1,855	2,272	2,783	2,374	2,501	2,682	2,783	2,876
51	Federal Home Loan Mortgage Corporation	15,180	16,854	19,843	17,067	17,565	17,936	19,843	23,959
52	1- to 4-family	12,149	13,471	15,888	13,641	14,115	14,401	15,888	18,995
53	Multifamily	3,031r	3,383	3,955	3,426	3,450	3,535	3,955	4,964
54	Farmers Home Administration	27,697	31,530	36,640	32,995	34,185	36,454	36,640	36,955
55	1- to 4-family	14,884	16,683	18,378	16,640	17,165	18,407	18,378	18,740
56	Multifamily	2,163	2,612	3,426	2,853	3,097	3,488	3,426	3,447
57	Commercial	4,328	5,271	6,161	5,382	5,750	6,040	6,161	6,351
58	Farm	6,322	6,964	8,675	8,120	8,173	8,519	8,675	8,417
59	Individual and others[3]	171,856	192,240	212,362r	197,324	203,841	208,807r	212,362r	216,149
60	1- to 4-family	99,418	112,645	126,070r	116,315	120,572	123,772r	126,070r	127,965
61	Multifamily	23,189	27,164	28,152r	27,208	27,593	27,906r	28,152r	28,787
62	Commercial	24,050	26,661	30,592r	27,573	28,850	29,814r	30,592r	31,291
63	Farm	25,199	25,770	27,548	26,228	26,826	27,315	27,548	28,106

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 for which 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.

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

Millions of dollars

Holder, and type of credit	1979	1980	1981	1982 Jan.	1982 Feb.	1982 Mar.	1982 Apr.
	Amounts outstanding (end of period)						
1 **Total**	**312,024**	**313,472**	**333,375**	**330,135**	**327,435**	**327,131**	**328,363**
By major holder							
2 Commercial banks	154,177	147,013	149,300	148,162	146,922	146,454	146,616
3 Finance companies	68,318	76,756	89,818	88,925	89,009	89,591	90,674
4 Credit unions	46,517	44,041	45,954	45,907	45,586	45,632	45,450
5 Retailers[2]	28,119	28,448	29,551	28,179	27,013	26,530	26,537
6 Savings and loans	8,424	9,911	11,598	11,668	11,738	11,926	12,081
7 Gasoline companies	3,729	4,468	4,403	4,541	4,433	4,229	4,227
8 Mutual savings banks	2,740	2,835	2,751	2,753	2,734	2,769	2,778
By major type of credit							
9 Automobile	116,362	116,838	126,431	125,525	125,294	125,559	126,201
10 Commercial banks	67,367	61,536	59,181	58,849	58,604	58,510	58,458
11 Indirect paper	38,338	35,233	35,097	35,029	34,920	34,888	34,920
12 Direct loans	29,029	26,303	24,084	23,820	23,684	23,622	23,538
13 Credit unions	22,244	21,060	21,975	21,953	21,799	21,821	21,733
14 Finance companies	26,751	34,242	45,275	44,723	44,891	45,228	46,010
15 Revolving	56,937	58,352	63,049	61,433	59,514	58,491	58,641
16 Commercial banks	29,862	29,765	33,110	32,643	31,923	31,532	31,638
17 Retailers	23,346	24,119	25,536	24,249	23,158	22,730	22,776
18 Gasoline companies	3,729	4,468	4,403	4,541	4,433	4,229	4,227
19 Mobile home	16,838	17,322	18,486	18,397	18,343	18,363	18,402
20 Commercial banks	10,647	10,371	10,300	10,206	10,111	10,037	9,974
21 Finance companies	3,390	3,745	4,494	4,481	4,506	4,548	4,608
22 Savings and loans	2,307	2,737	3,203	3,222	3,241	3,293	3,336
23 Credit unions	494	469	489	488	485	486	484
24 Other	121,887	120,960	125,409	124,780	124,284	124,718	125,119
25 Commercial banks	46,301	45,341	46,709	46,464	46,284	46,375	46,546
26 Finance companies	38,177	38,769	40,049	39,721	39,612	39,815	40,056
27 Credit unions	23,779	22,512	23,490	23,466	23,302	23,326	23,233
28 Retailers	4,773	4,329	4,015	3,930	3,855	3,800	3,761
29 Savings and loans	6,117	7,174	8,395	8,446	8,497	8,633	8,745
30 Mutual savings banks	2,740	2,835	2,751	2,753	2,734	2,769	2,778
	Net change (during period)[3]						
31 **Total**	**38,381**	**1,448**	**19,894**	**443**	**75**	**990**	**1,175**
By major holder							
32 Commercial banks	18,161	-7,163	2,284	10	-171	166	96
33 Finance companies	14,020	8,438	13,062	-597	307	673	544
34 Credit unions	2,185	-2,475	1,913	689	-135	-122	132
35 Retailers[2]	2,132	329	1,103	27	-124	171	181
36 Savings and loans	1,327	1,485	1,682	172	173	251	205
37 Gasoline companies	509	739	-65	39	36	-150	-6
38 Mutual savings banks	47	95	-85	103	-11	1	23
By major type of credit							
39 Automobile	14,715	477	9,595	-121	-56	-28	233
40 Commercial banks	6,857	-5,830	-2,355	103	-180	-248	-159
41 Indirect paper	4,488	3,104	-136	232	-141	-130	2
42 Direct loans	2,369	-2,726	-2,219	-129	39	-118	-161
43 Credit unions	1,044	-1,184	914	345	-59	-55	54
44 Finance companies	6,814	7,491	11,033	-569	183	275	338
45 Revolving	8,628	1,415	4,697	-196	-155	307	499
46 Commercial banks	5,521	-97	3,345	-276	-65	296	285
47 Retailers	2,598	773	1,417	41	-126	161	220
48 Gasoline companies	509	739	-65	39	36	150	-6
49 Mobile home	1,603	483	1,161	-26	-44	15	51
50 Commercial banks	1,102	276	-74	-74	-110	-82	-48
51 Finance companies	238	355	749	6	56	52	53
52 Savings and loans	240	430	466	30	14	47	43
53 Credit unions	23	-25	20	12	4	-2	3
54 Other	13,435	-927	4,441	786	330	696	392
55 Commercial banks	4,681	-960	1,368	257	184	200	18
56 Finance companies	6,968	592	1,280	-34	68	346	153
57 Credit unions	1,118	-1,266	975	332	-72	-65	75
58 Retailers	-466	-444	-314	-14	2	10	-39
59 Savings and loans	1,087	1,056	1,217	142	159	204	162
60 Mutual savings banks	47	95	-85	103	-11	1	23

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.

NOTE: Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to, not seasonally adjusted $71.3 billion at the end of 1979, $74.8 billion at the end of 1980, and $80.2 billion at the end of 1981.

1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted.

Holder, and type of credit	1979	1980	1981	1982 Jan.	1982 Feb.	1982 Mar.	1982 Apr
	Extensions						
1 **Total**	**324,777**	**306,076**	**336,341**	**26,888**	**27,150**	**27,462**	**28,648**
By major holder							
2 Commercial banks	154,733	134,960	146,186	11,775	12,431	12,519	12,790
3 Finance companies	61,518	60,801	66,344	4,433	4,857	5,002	5,343
4 Credit unions	34,926	29,594	35,444	3,326	2,695	2,631	3,010
5 Retailers[1]	47,676	49,942	53,430	4,385	4,254	4,536	4,618
6 Savings and loans	5,901	6,621	8,142	716	754	788	823
7 Gasoline companies	18,005	22,253	24,902	2,000	2,007	1,835	1,915
8 Mutual savings banks	2,018	1,905	1,893	253	152	151	185
By major type of credit							
9 Automobile	93,901	83,454	94,404	7,474	7,283	7,183	7,871
10 Commercial banks	53,554	41,109	42,792	3,696	3,415	3,393	3,499
11 Indirect paper	29,623	22,558	24,941	2,293	1,875	1,875	2,079
12 Direct loans	23,931	18,551	17,851	1,403	1,540	1,518	1,420
13 Credit unions	17,397	15,294	18,084	1,702	1,363	1,420	1,542
14 Finance companies	22,950	27,051	33,527	2,076	2,505	2,370	2,830
15 Revolving	120,174	128,068	140,135	11,070	11,730	12,143	12,416
16 Commercial banks	61,048	61,593	67,370	5,135	5,928	6,235	6,309
17 Retailers	41,121	44,222	47,863	3,935	3,795	4,073	4,192
18 Gasoline companies	18,005	22,253	24,902	2,000	2,007	1,835	1,915
19 Mobile home	6,471	5,093	6,028	434	364	411	544
20 Commercial banks	4,542	2,937	3,106	188	136	156	253
21 Finance companies	797	898	1,313	99	117	120	122
22 Savings and loans	948	1,146	1,432	122	102	126	151
23 Credit unions	184	113	176	25	9	9	18
24 Other	104,231	89,461	95,774	7,910	7,773	7,725	7,853
25 Commercial banks	35,589	29,321	32,918	2,756	2,952	2,735	2,729
26 Finance companies	37,771	32,852	31,504	2,258	2,235	2,512	2,391
27 Credit unions	17,345	14,187	17,182	1,599	1,323	1,202	1,450
28 Retailers	6,555	5,720	5,567	450	459	463	426
29 Savings and loans	4,953	5,476	6,710	594	652	662	672
30 Mutual savings banks	2,018	1,905	1,893	253	152	151	185
	Liquidations						
31 **Total**	**286,396**	**304,628**	**316,447**	**26,445**	**27,075**	**26,472**	**27,509**
By major holder							
32 Commercial banks	136,572	142,123	143,902	11,765	12,602	12,353	12,694
33 Finance companies	47,498	52,363	53,282	5,030	4,550	4,329	4,799
34 Credit unions	32,741	32,069	33,531	2,637	2,830	2,753	2,878
35 Retailers[1]	45,544	49,613	52,327	4,358	4,378	4,365	4,437
36 Savings and loans	4,574	5,136	6,640	544	581	537	618
37 Gasoline companies	17,496	21,514	24,967	1,961	1,971	1,985	1,921
38 Mutual savings banks	1,971	1,810	1,978	150	163	150	162
By major type of credit							
39 Automobile	79,186	82,977	84,809	7,595	7,339	7,211	7,638
40 Commercial banks	46,697	46,939	45,147	3,593	3,595	3,641	3,658
41 Indirect paper	25,135	25,662	25,077	2,061	2,016	2,005	2,077
42 Direct loans	21,562	21,277	20,070	1,532	1,579	1,636	1,581
43 Credit unions	16,353	16,478	17,169	1,357	1,422	1,475	1,488
44 Finance companies	16,136	19,560	22,494	2,645	2,322	2,095	2,492
45 Revolving	111,546	126,653	135,438	11,266	11,885	11,836	11,917
46 Commercial banks	55,527	61,690	64,025	5,411	5,993	5,939	6,024
47 Retailers	38,523	43,449	46,446	3,894	3,921	3,912	3,972
48 Gasoline companies	17,496	21,514	24,967	1,961	1,971	1,985	1,921
49 Mobile home	4,868	4,610	4,867	460	408	396	493
50 Commercial banks	3,440	3,213	3,180	262	246	238	301
51 Finance companies	559	543	564	93	61	68	69
52 Savings and loans	708	716	966	92	88	79	108
53 Credit unions	161	138	156	13	13	11	15
54 Other	90,796	90,388	91,333	7,124	7,443	7,029	7,461
55 Commercial banks	30,908	30,281	31,550	2,499	2,768	2,535	2,711
56 Finance companies	30,803	32,260	30,224	2,292	2,167	2,166	2,238
57 Credit unions	16,227	15,453	16,207	1,267	1,395	1,267	1,375
58 Retailers	7,021	6,164	5,881	464	457	453	465
59 Savings and loans	3,866	4,420	5,493	452	493	458	510
60 Mutual savings banks	1,971	1,810	1,978	150	163	150	162

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

1.58 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, sector	1976	1977	1978	1979	1980	1981r	1979 H1	1979 H2	1980 H1	1980 H2	1981 H1r	1981 H2r
	Nonfinancial sectors											
1 **Total funds raised**	**273.6**	**336.6**	**395.6**	**387.0**	**371.9**	**376.0**	**385.0**	**389.0**	**339.0**	**404.9**	**418.4**	**333.6**
2 Excluding equities	262.8	333.5	396.3	394.0	357.0	387.4	394.7	393.3	330.1	383.8	416.9	358.0
By sector and instrument												
3 U.S. government	69.0	56.8	53.7	37.4	79.2	87.4	30.0	44.7	66.5	91.9	86.1	88.6
4 Treasury securities	69.1	57.6	55.1	38.8	79.8	87.8	32.3	45.2	67.2	92.4	86.7	89.0
5 Agency issues and mortgages	-.1	-.9	-1.4	-1.4	-.6	-.5	-2.3	-.5	.6	-.6	-.5	-.4
6 All other nonfinancial sectors	204.6	279.9	342.0	349.6	292.7	288.6	355.0	344.3	272.5	313.0	332.3	244.9
7 Corporate equities	10.8	3.1	-.6	-7.1	15.0	-11.5	-9.8	-4.3	8.9	21.0	1.5	-24.5
8 Debt instruments	193.8	276.7	342.6	356.7	277.8	300.1	364.7	348.6	263.6	292.0	330.7	269.4
9 Private domestic nonfinancial sectors	185.0	266.0	308.7	328.6	263.4	264.1	341.0	316.1	241.3	285.6	297.1	231.2
10 Corporate equities	10.5	2.7	-.1	-7.8	12.9	-11.5	-9.6	-6.1	6.9	18.8	.9	-23.8
11 Debt instruments	174.5	263.2	308.8	336.4	250.6	275.6	350.6	322.2	234.4	266.2	296.2	255.0
12 Debt capital instruments	123.7	172.2	193.7	200.1	179.4	147.8	203.0	197.2	177.0	181.9	171.1	124.5
13 State and local obligations	15.7	21.9	26.1	21.8	26.9	25.8	20.9	22.7	21.6	32.1	28.8	22.8
14 Corporate bonds	22.8	21.0	20.1	21.2	30.4	20.2	21.7	20.7	35.3	25.6	22.8	17.6
Mortgages												
15 Home mortgages	64.0	96.3	108.5	113.7	81.7	62.2	117.6	109.8	76.5	87.0	77.3	47.2
16 *Multifamily residential*	3.9	7.4	9.4	7.8	8.5	4.6	8.0	7.6	8.2	8.8	5.0	4.2
17 Commercial	11.6	18.5	22.1	24.4	22.4	25.3	23.4	25.4	24.8	19.9	28.4	22.1
18 Farm	5.7	7.1	7.5	11.3	9.5	9.8	11.6	11.0	10.6	8.4	8.9	10.7
19 Other debt instruments	50.7	91.0	115.1	136.3	71.1	127.8	147.6	125.0	57.4	84.9	125.1	130.4
20 Consumer credit	25.4	40.2	47.6	46.3	2.3	25.3	50.9	41.6	-5.1	9.7	29.5	21.1
21 Bank loans n.e.c.	4.4	26.7	37.1	49.2	37.3	50.1	55.5	42.8	13.5	61.2	42.0	58.3
22 Open market paper	4.0	2.9	5.2	11.1	6.6	19.2	8.0	14.2	24.8	-11.6	16.0	22.3
23 Other	16.9	21.3	25.1	29.7	24.9	33.2	33.1	26.4	24.1	25.6	37.6	28.7
24 By borrowing sector	185.0	266.0	308.7	328.6	263.4	264.1	341.0	316.1	241.3	285.6	297.1	231.2
25 State and local governments	15.2	17.3	20.9	18.4	25.3	23.1	17.9	18.9	19.7	30.9	26.2	20.0
26 Households	89.6	139.1	164.3	170.6	101.7	103.6	179.1	162.1	94.2	109.1	124.3	82.8
27 Farm	10.2	12.3	15.0	20.8	14.5	16.4	21.2	20.4	17.9	11.1	22.7	10.0
28 Nonfarm noncorporate	5.7	12.7	15.3	14.0	15.8	13.8	13.5	14.5	11.0	20.6	16.1	11.6
29 Corporate	64.3	84.6	93.2	104.8	106.1	107.3	109.3	100.2	98.4	113.8	107.8	106.7
30 Foreign	19.6	13.9	33.2	21.0	29.3	24.4	14.0	28.1	31.2	27.4	35.1	13.8
31 Corporate equities	.3	.4	-.5	.8	2.1	*	.2	1.7	1.9	2.2	.6	.7
32 Debt instruments	19.3	13.5	33.8	20.3	27.2	24.5	14.1	26.4	29.2	25.2	34.5	14.4
33 Bonds	8.6	5.1	4.2	3.9	.8	5.6	2.8	4.9	2.0	-.4	3.3	7.8
34 Bank loans n.e.c.	5.6	3.1	19.1	2.3	11.5	.8	2.1	2.4	6.1	17.0	5.7	4.1
35 Open market paper	1.9	2.4	6.6	11.2	10.1	13.9	6.1	16.3	15.7	4.5	20.6	7.1
36 U.S. government loans	3.3	3.0	3.9	3.0	4.7	4.2	3.1	2.8	5.4	4.0	4.9	3.6
	Financial sectors											
37 **Total funds raised**	**23.4**	**51.4**	**76.8**	**84.3**	**66.7**	**88.6**	**87.8**	**80.8**	**59.8**	**73.5**	**92.6**	**84.6**
By instrument												
38 U.S. government related	15.1	21.9	36.7	48.2	43.0	44.4	43.7	52.8	44.7	41.3	40.6	48.2
39 Sponsored credit agency securities	3.3	7.0	23.1	24.3	24.4	30.1	21.2	27.3	25.1	23.7	24.0	36.1
40 Mortgage pool securities	12.2	16.1	13.6	24.0	18.6	14.3	22.5	25.5	19.6	17.6	16.5	12.1
41 Loans from U.S. government	.4	-1.2	0	0	0	0	0	0	0	0	0	0
42 Private financial sectors	8.2	29.5	40.1	36.0	23.7	44.2	44.1	28.0	15.2	32.2	52.0	36.4
43 Corporate equities	-.2	2.6	1.8	2.5	6.2	8.3	3.6	1.4	7.1	5.2	9.7	7.0
44 Debt instruments	8.4	26.9	38.3	33.6	17.5	35.9	40.6	26.6	8.1	27.0	42.3	29.4
45 Corporate bonds	9.8	10.1	7.5	7.8	7.1	-.8	8.2	7.5	10.1	4.2	-2.0	.3
46 Mortgages	2.1	3.1	.9	-1.2	-.9	-2.9	.3	-2.6	-5.8	4.0	-2.9	-2.9
47 Bank loans n.e.c.	-3.7	-.3	2.8	-.4	-.5	2.5	-1.4	.6	*	-.9	4.6	.3
48 Open market paper and RPs	2.2	9.6	14.6	18.2	4.6	20.9	25.4	10.9	-.8	10.1	24.6	17.3
49 Loans from Federal Home Loan Banks	-2.0	4.3	12.5	9.2	7.1	16.2	8.2	10.1	4.6	9.6	18.0	14.5
By sector												
50 Sponsored credit agencies	2.9	5.8	23.1	24.3	24.4	30.1	21.2	27.3	25.1	23.7	24.0	36.1
51 Mortgage pools	12.2	16.1	13.6	24.0	18.6	14.3	22.5	25.5	19.6	17.6	16.5	12.1
52 Private financial sectors	8.2	29.5	40.1	36.0	23.7	44.2	44.1	28.0	15.2	32.2	52.0	36.4
53 Commercial banks	2.3	1.1	1.3	1.6	.5	.4	1.3	1.8	.8	.3	.2	5
54 Bank affiliates	5.4	2.0	7.2	6.5	6.9	8.3	8.0	4.9	5.8	8.0	6.9	9.7
55 Savings and loan associations	.1	9.9	14.3	11.4	6.9	13.1	11.1	11.7	-1.4	15.2	17.2	8.9
56 Other insurance companies	.9	1.4	.8	.9	.9	.9	.9	.9	.9	.9	.9	.9
57 Finance companies	4.3	16.9	18.1	16.8	5.8	14.4	22.7	10.9	5.2	6.3	18.3	10.6
58 REITs	-2.2	-2.3	-1.1	-.4	-1.7	-.7	.6	-.2	-1.4	-2.0	-.8	-.5
59 Open-end investment companies	-2.4	.4	-.5	-.6	4.4	7.8	.7	-1.9	5.3	3.4	9.3	6.3
	All sectors											
60 **Total funds raised, by instrument**	**297.0**	**388.0**	**472.5**	**471.3**	**438.6**	**464.6**	**472.8**	**469.7**	**398.8**	**478.4**	**511.0**	**418.2**
61 Investment company shares	-2.4	.4	-.5	-.6	4.4	7.8	.7	-1.9	5.3	3.4	9.3	6.3
62 Other corporate equities	13.1	5.3	1.7	-4.0	16.8	11.0	-6.9	-1.0	10.7	22.8	1.9	-23.8
63 Debt instruments	286.4	382.3	471.3	475.8	417.5	467.7	479.0	472.6	382.9	452.1	499.8	435.6
64 U.S. government securities	84.6	79.9	90.5	85.7	122.3	131.9	73.8	97.6	111.3	133.2	126.8	136.9
65 State and local obligations	15.7	21.9	26.1	21.8	26.9	25.8	20.9	22.7	21.6	32.1	28.8	22.8
66 Corporate and foreign bonds	41.2	36.1	31.8	32.8	38.4	24.9	32.6	33.0	47.4	29.5	24.1	25.7
67 Mortgages	87.2	132.3	148.3	155.9	121.1	98.8	160.6	151.1	114.2	128.0	116.6	81.1
68 Consumer credit	25.4	40.2	47.6	46.3	2.3	25.3	50.9	41.6	-5.1	9.7	29.5	21.1
69 Bank loans n.e.c.	6.2	29.5	59.0	51.0	48.4	53.4	56.2	45.8	19.6	77.2	52.3	54.5
70 Open market paper and RPs	8.1	15.0	26.4	40.5	21.4	54.0	39.5	41.5	39.7	3.1	61.3	46.7
71 Other loans	17.8	27.4	41.5	41.9	36.7	53.7	44.4	39.3	34.1	39.3	60.5	46.8

1.59 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1976	1977	1978	1979	1980	1981r	1979 H1	1979 H2	1980 H1	1980 H2	1981 H1r	1981 H2r
1 **Total funds advanced in credit markets to nonfinancial sectors**	**262.8**	**333.5**	**396.3**	**394.0**	**357.0**	**387.4**	**394.7**	**393.3**	**330.1**	**383.8**	**416.9**	**358.0**
By public agencies and foreign												
2 Total net advances	49.8	79.2	101.9	74.0	92.1	91.2	49.6	98.5	102.9	81.3	103.6	78.8
3 U.S. government securities	23.1	34.9	36.1	-6.2	15.6	17.2	-27.1	14.7	23.2	8.0	24.3	10.1
4 Residential mortgages	12.3	20.0	25.7	36.7	31.1	22.7	35.7	37.8	33.3	28.9	20.8	24.6
5 FHLB advances to savings and loans	2.0	4.3	12.5	9.2	7.1	16.2	8.2	10.1	4.6	9.6	18.0	14.5
6 Other loans and securities	16.4	20.1	27.6	34.3	38.2	35.0	32.8	35.8	41.7	34.8	40.5	29.6
Total advanced, by sector												
7 U.S. government	7.9	10.0	17.1	19.0	23.7	24.1	19.8	18.3	25.4	22.1	27.7	20.5
8 Sponsored credit agencies	16.8	22.4	39.9	53.4	43.8	45.3	47.8	58.9	42.4	45.2	42.2	48.3
9 Monetary authorities	9.8	7.1	7.0	7.7	4.5	9.2	-.9	16.2	12.1	-3.1	-7.3	25.6
10 Foreign	15.2	39.6	38.0	6.1	20.0	12.6	-17.2	5.1	23.0	17.0	40.9	-15.7
11 Agency borrowing not included in line 1	15.1	21.9	36.7	48.2	43.0	44.4	43.7	52.8	44.7	41.3	40.6	48.2
Private domestic funds advanced												
12 Total net advances	228.1	276.2	331.0	368.2	307.9	340.6	388.9	347.6	271.9	343.8	353.8	327.5
13 U.S. government securities	61.5	45.1	54.3	91.9	106.7	114.7	101.0	82.9	88.1	125.3	102.6	126.8
14 State and local obligations	15.7	21.9	26.1	21.8	26.9	25.8	20.9	22.7	21.6	32.1	28.8	22.8
15 Corporate and foreign bonds	30.5	22.2	22.4	24.0	26.2	21.0	24.0	24.0	32.5	19.9	19.6	22.5
16 Residential mortgages	55.5	83.7	92.1	84.6	59.1	44.0	89.8	79.5	51.2	66.9	61.4	26.6
17 Other mortgages and loans	62.9	107.7	148.6	155.1	96.2	151.4	161.4	148.7	83.1	109.3	159.5	143.2
18 LESS: Federal Home Loan Bank advances	-2.0	4.3	12.5	9.2	7.1	16.2	8.2	10.1	4.6	9.6	18.0	14.5
Private financial intermediation												
19 Credit market funds advanced by private financial institutions	191.4	260.9	302.4	292.5	270.3	302.5	316.9	268.0	246.1	294.4	318.9	286.2
20 Commercial banking	59.6	87.6	128.7	121.1	99.7	99.8	130.3	112.0	58.5	140.9	101.6	98.0
21 Savings institutions	70.5	82.0	73.5	55.9	58.4	24.1	59.6	52.2	35.5	81.3	38.4	9.8
22 Insurance and pension funds	49.7	67.8	75.0	66.4	79.8	81.9	72.3	60.5	89.2	70.3	79.3	84.5
23 Other finance	11.6	23.4	25.2	49.0	32.4	96.7	54.8	43.3	62.8	1.9	99.5	93.9
24 Sources of funds	191.4	260.9	302.4	292.5	270.3	302.5	316.9	268.0	246.1	294.4	318.9	286.2
25 Private domestic deposits	124.4	138.9	140.8	143.2	171.1	204.8	135.1	151.2	158.7	183.6	203.6	206.1
26 Credit market borrowing	8.4	26.9	38.3	33.6	17.5	35.9	40.6	26.6	8.1	27.0	42.3	29.4
27 Other sources	58.5	95.1	123.2	115.7	81.6	61.8	141.2	90.3	79.4	83.8	73.0	50.7
28 Foreign funds	-4.7	1.2	6.3	25.6	-22.3	-10.4	45.6	5.6	-22.8	-21.9	-6.5	-14.4
29 Treasury balances	-.1	4.3	6.8	.4	-2.6	-1.1	5.0	-4.2	-2.3	-2.8	10.8	-13.0
30 Insurance and pension reserves	34.3	50.1	62.2	47.8	64.1	71.4	52.3	43.4	70.0	58.1	62.7	80.1
31 Other, net	29.0	39.5	48.0	41.9	42.4	2.0	38.4	45.4	34.5	50.4	6.0	-1.9
Private domestic nonfinancial investors												
32 Direct lending in credit markets	45.1	42.2	67.0	109.3	55.1	74.0	112.5	106.1	33.9	76.4	77.3	70.7
33 U.S. government securities	16.4	24.1	35.6	62.8	32.6	44.8	71.0	54.5	19.3	45.8	37.1	52.4
34 State and local obligations	3.3	-.8	1.4	1.4	3.1	15.5	2.6	.2	-1.8	7.9	20.6	10.5
35 Corporate and foreign bonds	11.8	-3.8	-2.9	10.3	3.6	-10.4	4.6	16.0	4.8	2.3	10.2	-10.6
36 Commercial paper	1.9	9.6	16.5	11.4	-3.8	4.3	11.4	11.4	-4.5	-3.1	4.9	3.8
37 Other	11.7	13.2	16.4	23.5	19.7	19.7	22.9	24.0	16.0	23.3	24.8	14.6
38 Deposits and currency	133.4	148.5	152.1	152.6	182.3	213.7	149.3	155.9	167.6	197.1	209.5	217.9
39 Currency	7.3	8.3	9.3	7.9	10.3	9.5	9.0	6.9	8.5	12.1	4.7	14.3
40 Checkable deposits	10.4	17.2	16.3	19.2	4.2	16.9	16.6	21.9	-1.5	9.9	28.9	4.9
41 Small time and savings accounts	123.7	93.5	63.5	61.7	80.9	40.7	66.5	56.9	66.7	95.2	14.6	66.8
42 Money market fund shares	*	.2	6.9	34.4	29.2	107.5	30.2	38.6	61.9	-3.4	104.1	110.8
43 Large time deposits	12.0	25.8	46.6	21.2	50.3	36.8	3.3	39.1	26.3	74.2	48.3	25.3
44 Security RPs	2.3	2.2	7.5	6.6	6.5	3.0	18.5	-5.3	5.3	7.8	7.7	-1.7
45 Foreign deposits	1.7	1.3	2.0	1.5	.9	-.6	5.2	-2.3	.4	1.3	1.2	-2.5
46 **Total of credit market instruments, deposits and currency**	**178.5**	**190.7**	**219.1**	**261.9**	**237.5**	**287.7**	**261.8**	**262.0**	**201.5**	**273.4**	**286.8**	**288.6**
47 Public support rate (in percent)	19.0	23.7	25.7	18.8	25.8	23.5	12.6	25.0	31.2	21.2	24.9	22.0
48 Private financial intermediation (in percent)	83.9	94.4	91.3	79.4	87.8	88.8	81.5	77.1	90.5	85.6	90.1	87.4
49 Total foreign funds	10.5	40.8	44.3	19.5	-2.3	2.2	28.4	10.7	.2	-4.8	34.5	-30.1
MEMO: Corporate equities not included above												
50 **Total net issues**	**10.6**	**5.7**	**1.2**	**-4.6**	**21.1**	**-3.1**	**-6.2**	**-2.9**	**16.0**	**26.3**	**11.2**	**-17.5**
51 Mutual fund shares	-2.4	.4	-.5	-.6	4.4	7.8	.7	-1.9	5.3	3.4	9.3	6.3
52 Other equities	13.1	5.3	1.7	-4.0	16.8	-11.0	-6.9	-1.0	10.7	22.8	1.9	-23.8
53 Acquisitions by financial institutions	12.5	7.4	4.5	10.6	17.7	22.4	7.1	14.0	10.5	24.9	26.4	18.4
54 Other net purchases	-1.9	-1.6	-3.4	-15.1	3.4	-25.5	-13.4	-16.9	5.5	1.4	-15.2	-35.9

NOTES BY LINE NUMBER.
1. Line 2 of table 1.58.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, and 38 less lines 40 and 46.
17. Includes farm and commercial mortgages.
25. Line 38 less lines 40 and 46.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26.
33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.
39. Mainly an offset to line 9.
46. Lines 32 plus 38, or line 12 less line 27 plus 39 and 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Sum of lines 10 and 28.
50, 52. Includes issues by financial institutions.

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1979	1980	1981	1981					1982				
				Aug	Sept	Oct.	Nov.	Dec.	Jan.	Feb r	Mar.	Apr. p	May r
1 **Industrial production**[1]	**152.5**	**147.0**	**151.0**	**153.6**	**151.6**	**149.1**	**146.3**	**143.4**	**140.7**	**142.9**	**141.7**	**140.6**	**140.3**
Market groupings													
2 Products, total	150.0	146.7	150.6	152.6	151.0	149.4	147.5	146.2	142.9	144.6	143.8	143.4	143.3
3 Final, total	147.2	145.3	149.5	151.5	150.0	148.9	147.2	146.3	142.8	144.1	143.4	143.2	143.3
4 Consumer goods	150.8	145.4	147.9	149.6	147.8	146.5	144.0	142.0	139.6	141.8	141.5	142.6	143.8
5 Equipment	142.2	145.2	151.8	154.0	152.9	152.1	151.5	152.1	147.2	147.3	145.9	144.1	142.6
6 Intermediate	160.5	151.9	154.4	156.8	154.6	151.4	148.7	145.9	143.4	146.3	145.2	143.8	143.5
7 Materials	156.4	147.6	151.6	155.2	152.5	148.5	144.6	139.0	137.2	140.4	138.6	136.4	135.5
Industry groupings													
8 Manufacturing	153.6	146.7	150.4	153.2	151.1	148.2	145.0	142.0	138.5	140.9	140.2	139.2	139.1
Capacity utilization (percent)[1,2]													
9 Manufacturing	85.7	79.1	78.5	79.6	78.3	76.6	74.8	73.1	71.1	72.2	71.7	71.0	70.8
10 Industrial materials industries	87.4	80.0	79.9	81.7	80.0	77.7	75.5	72.4	71.4	72.9	71.8	70.5	69.9
11 Construction contracts (1977 = 100)[3]	121.0	106.0	107.0	99.0	100.0	101.0	92.0	112.0	115.0	97.0	105.0	n.a.	n.a.
12 Nonagricultural employment, total[4]	136.5	137.6	139.1	138.8r	138.8r	138.6r	138.3r	137.7r	137.5r	137.5r	137.2r	136.8r	136.7
13 Goods-producing, total	113.5	110.3	110.2	110.0r	109.8r	108.9r	108.0r	106.9r	105.9r	105.7r	104.9r	103.9r	103.7
14 Manufacturing, total	108.2	104.4	104.2	104.4r	104.2r	103.3r	102.3r	101.2r	100.4r	100.0r	99.3r	98.5r	98.3
15 Manufacturing, production-worker	105.3	99.4	98.5	98.8r	98.5r	97.3	95.9r	94.3r	93.2	92.9r	92.1r	91.1r	91.0
16 Service-producing	149.1	152.6	155.0	154.6r	154.8r	154.9r	154.9r	154.7r	154.8r	154.9r	155.0r	154.8r	154.8
17 Personal income, total	308.5	342.9	381.6	387.8	390.9	392.9r	395.6	395.6	396.5r	398.9r	400.4r	401.8	n.a.
18 Wages and salary disbursements	289.5	314.7	347.2	351.4	353.7	355.4	357.8	356.5	358.6	361.3r	360.8r	360.1	n.a.
19 Manufacturing	248.6	261.5	288.8r	294.3	294.9	293.7	292.2	288.8	289.3	292.5r	289.9r	288.6	n.a.
20 Disposable personal income[5]	299.6	332.5	379.6	372.9	375.5	379.6	382.0	381.8	384.0	383.9r	385.5r	387.6r	390.5
21 Retail sales[6]	281.6	303.8	330.6	338.5	338.9	331.1	333.3	334.1	326.0	334.9	333.5r	328.3r	341.0
Prices[7]													
22 Consumer	217.4	246.8	272.4	276.5	279.3	279.9	280.7	281.5	282.5	283.4	283.1	284.3	n.a.
23 Producer finished goods	217.7	247.0	269.8	271.5	271.5	274.3	274.7	275.4	277.4	277.4	276.9	276.9	n.a.

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).
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	1981			1982	1981			1982	1981			1982
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
1 **Manufacturing**	**152.4**	**152.5**	**145.0**	**139.9**	**190.9**	**192.4**	**193.9**	**195.2**	**79.8**	**79.3**	**74.8**	**71.7**
2 Primary processing	156.5	155.8	143.5	137.1	195.0	196.3	197.5	198.6	80.3	79.4	72.7	69.1
3 Advanced processing	150.2	150.7	145.8	141.7	188.7	190.4	192.0	193.5	79.6	79.2	75.9	73.2
4 **Materials**	**153.4**	**154.3**	**144.0**	**138.7**	**189.0**	**190.3**	**191.5**	**192.6**	**81.2**	**81.1**	**75.2**	**72.0**
5 Durable goods	152.3	152.8	140.2	130.9	192.9	194.2	195.3	196.4	78.9	78.7	71.8	66.6
6 Metal materials	112.8	114.2	99.5	90.8	141.7	141.9	142.1	142.3	79.6	80.5	70.1	63.8
7 Nondurable goods	178.4	175.8	164.5	161.1	209.2	211.2	213.1	214.6	85.3	83.3	77.2	75.0
8 Textile, paper, and chemical	185.9	182.8	169.4	164.6	219.4	221.7	223.9	225.6	84.8	82.5	75.7	73.0
9 Textile	114.5	115.5	106.8	101.2	140.6	141.0	141.6	142.1	81.4	81.8	75.4	71.2
10 Paper	151.0	152.2	147.0	146.4	160.7	161.9	162.8	163.8	93.9	94.1	90.3	89.4
11 Chemical	231.6	224.9	206.2	200.0	277.5	281.0	284.4	287.3	83.5	80.0	72.5	69.6
12 Energy materials	125.1	131.6	127.9	130.0	154.3	155.0	155.8	156.5	81.1	84.9	82.1	83.0

2.11 Continued

Series	Previous cycle[1]		Latest cycle[2]		1981					1982				
	High	Low	High	Low	May	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr	May
	Capacity utilization rate (percent)													
13 Manufacturing	88.0	69.0	87.2	74.9	80.0	78.3	76.6	74.8	73.1	71 1	72.2	71.7	71.0	70.8
14 Primary processing	93.8	68.2	90.1	71.0	80.6	78.2	75.7	72.7	69.6	68.5	70.0	68.7	67.4	67.0
15 Advanced processing	85.5	69.4	86.2	77.2	79.8	78.3	77.0	75.8	75.0	72.8	73.6	73.2	72.9	72.8
16 Materials	92.6	69 4	88.8	73 8	81.1	80.0	77.7	75.5	72.4	71.4	72.9	71.8	70.5	69.9
17 Durable goods	91.5	63 6	88.4	68.2	79.2	77.3	74.7	72.2	68.5	66.2	67.4	66.4	65.0	64.3
18 Metal materials	98.3	68.6	96.0	59.6	80.3	79.1	73.9	70.8	65.5	65.8	64.7	61.0	55.7	52.8
19 Nondurable goods	94.5	67 2	91.6	77.5	85.6	82.9	80.3	77.3	74.1	73.2	76.5	75.4	74.4	74.2
20 Textile, paper, and chemical	95.1	65.3	92.2	75.3	85.4	82.1	79.1	75.9	72.2	70.7	74.4	73.7	72.6	72.4
21 Textile	92.6	57.9	90.6	80.9	81.7	81.3	78.8	75.5	72.0	68.6	71.9	73.3	73.5	72.7
22 Paper	99.4	72.4	97 7	89.3	93.9	95.7	92.1	92.3	86.5	87.6	90.7	89.8	87.6	87.0
23 Chemical	95.5	64.2	91.3	70.7	84.3	79.2	76.2	72.4	69.0	67.4	71.3	70.2	69.1	69.1
24 Energy materials	94.6	84.8	88.3	82.7	79.7	83.0	82.5	82.2	81.6	83.7	83.2	82.2	80.7	80.1

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	1979	1980	1981	1981		1982				
				Nov.[r]	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May
HOUSEHOLD SURVEY DATA										
1 **Noninstitutional population**[1]	**166,951**	**169,847**	**172,272**	**173,154**	**173,330**	**173,494**	**173,657**	**173,842**	**174,019**	**174,201**
2 Labor force (including Armed Forces)[1]	107,050	109,042	110,812	111,430	111,348	111,038	111,333	111,521	111,823	112,841
3 Civilian labor force	104,962	106,940	108,670	109,272	109,184	108,879	109,165	109,346	109,648	110,666
Employment										
4 Nonagricultural industries[2]	95,477	95,938	97,030	96,800	96,404	96,170	96,217	96,144	96,032	96,629
5 Agriculture	3,347	3,364	3,368	3,372	3,209	3,411	3,373	3,349	3,309	3,488
Unemployment										
6 Number	6,137	7,637	8,273	9,100	9,571	9,298	9,575	9,854	10,307	10,549
7 Rate (percent of civilian labor force)	5.8	7.1	7.6	8.3	8.8	8.5	8.8	9.0	9.4	9.5
8 Not in labor force	59,901	60,805	61,460	61,724	61,982	62,456	62,324	62,321	62,196	61,360
ESTABLISHMENT SURVEY DATA										
9 **Nonagricultural payroll employment**[3]	**89,823**	**90,564**	**91,548**	**90,996**	**90,642**	**90,460**	**90,459**	**90,304**	**89,993**	**89,969**
10 Manufacturing	21,040	20,300	20,264	19,903	19,676	19,517	19,454	19,319	19,154	19,120
11 Mining	958	1,020	1,104	1,202	1,206	1,201	1,203	1,197	1,182	1,158
12 Contract construction	4,463	4,399	4,307	4,071	4,026	3,966	3,974	3,934	3,890	3,899
13 Transportation and public utilities	5,136	5,143	5,152	5,150	5,128	5,125	5,115	5,100	5,089	5,064
14 Trade	20,192	20,386	20,736	20,623	20,524	20,630	20,670	20,655	20,583	20,629
15 Finance	4,975	5,168	5,330	5,324	5,331	5,326	5,326	5,336	5,328	5,327
16 Service	17,112	17,901	18,598	18,815	18,834	18,831	18,867	18,904	18,924	18,920
17 Government	15,947	16,249	16,056	15,908	15,917	15,864	15,850	15,859	15,843	15,852

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 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted.

Grouping	1967 proportion	1981 average	1981 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov	Dec.	1982 Jan	Feb.[r]	Mar.	Apr.[p]	May[e]
			Index (1967 = 100)													
MAJOR MARKET																
1 **Total index**	**100.00**	**151.0**	**151.9**	**152.7**	**152.9**	**153.9**	**153.6**	**151.6**	**149.1**	**146.3**	**143.4**	**140.7**	**142.9**	**141.7**	**140.6**	**140.3**
2 Products	60.71	150.6	151.3	152.3	152.2	153.0	152.6	151.0	149.4	147.5	146.2	142.9	144.6	143.8	143.4	143.3
3 Final products	47.82	149.5	149.9	151.3	151.4	152.1	151.5	150.0	148.9	147.2	146.3	142.8	144.1	143.4	143.2	143.3
4 Consumer goods	27.68	147.9	148.9	150.7	150.3	150.7	149.6	147.8	146.5	144.0	142.0	139.6	141.8	141.5	142.6	143.8
5 Equipment	20.14	151.8	151.4	152.1	153.0	154.1	154.0	152.9	152.1	151.5	152.1	147.2	147.3	145.9	144.1	142.6
6 Intermediate products	12.89	154.4	156.3	156.1	154.9	156.2	156.8	154.6	151.4	148.7	145.9	143.4	146.3	145.2	143.8	143.5
7 Materials	39.29	151.6	152.9	153.4	154.0	155.3	155.2	152.5	148.5	144.6	139.0	137.2	140.4	138.6	136.4	135.5
Consumer goods																
8 Durable consumer goods	7.89	140.5	144.3	147.3	147.9	146.5	142.5	140.4	136.3	129.7	123.2	120.1	125.9	128.3	131.2	134.2
9 Automotive products	2.83	137.9	142.9	151.8	153.1	147.6	137.6	139.1	132.8	121.7	119.2	109.2	117.5	125.7	130.0	138.7
10 Autos and utility vehicles	2.03	111.2	120.2	129.1	131.4	123.0	107.8	110.0	101.7	88.9	87.5	71.6	82.0	93.6	100.6	111.8
11 Autos	1.90	103.4	113.2	120.0	122.2	118.1	104.0	103.3	92.5	81.1	78.1	61.3	70.5	79.8	87.2	96.1
12 Auto parts and allied goods	.80	205.6	200.8	209.5	208.0	210.0	213.1	212.9	211.8	205.0	199.7	204.4	207.8	207.1	204.5	207.0
13 Home goods	5.06	142.0	145.0	144.8	145.0	145.8	145.3	141.1	138.2	134.1	125.4	126.3	130.6	129.7	131.9	131.8
14 Appliances, A/C, and TV	1.40	119.6	121.2	121.4	120.0	123.6	126.8	119.0	116.7	107.7	85.7	100.6	103.5	97.0	103.9	105.7
15 Appliances and TV	1.33	121.2	122.6	122.3	121.4	124.8	128.9	121.4	118.7	108.7	86.6	101.6	104.1	97.4	104.4	....
16 Carpeting and furniture	1.07	158.0	165.2	163.1	166.3	163.2	160.1	158.6	152.6	146.9	144.4	137.9	147.8	151.3	151.3	....
17 Miscellaneous home goods	2.59	147.4	149.7	149.9	149.8	150.7	149.2	145.8	143.9	143.2	139.1	135.4	138.1	138.6	139.0	138.1
18 Nondurable consumer goods	19.79	150.9	150.7	152.1	151.2	152.3	152.5	150.8	150.5	149.7	149.5	147.4	148.1	148.6	147.1	147.6
19 Clothing	4.29	119.8	120.6	122.1	120.9	122.8	121.9	119.3	117.8	116.1	113.8	106.0	....	....	....	....
20 Consumer staples	15.50	159.5	159.0	160.3	159.6	160.5	161.0	159.5	159.6	159.0	159.4	158.9	159.2	158.1	158.4	159.1
21 Consumer foods and tobacco	8.33	150.3	150.2	151.3	149.6	150.5	150.6	149.5	150.7	150.4	150.9	150.0	151.1	149.6	....	....
22 Nonfood staples	7.17	170.0	169.3	170.8	171.3	172.2	173.0	171.1	169.9	169.1	169.3	169.1	168.7	168.1	168.8	169.4
23 Consumer chemical products	2.63	223.1	224.1	225.1	224.4	226.8	227.7	227.5	223.0	220.3	220.1	220.1	218.2	217.8	217.8	....
24 Consumer paper products	1.92	127.9	127.4	127.7	129.2	127.6	128.9	127.7	126.9	125.7	127.2	127.0	130.2	127.8	128.5	....
25 Consumer energy products	2.62	147.7	144.9	147.9	148.9	150.0	150.4	146.4	148.2	149.4	149.1	148.9	147.2	147.7	149.1	....
26 Residential utilities	1.45	166.3	162.9	168.9	170.4	172.6	169.7	162.8	166.2	167.4	167.5	172.3	171.6	170.4	....	....
Equipment																
27 Business	12.63	181.1	181.0	182.0	183.6	184.8	184.8	182.7	180.5	179.0	179.0	172.2	171.6	169.0	166.0	163.3
28 Industrial	6.77	166.4	165.9	167.0	169.0	169.4	170.2	168.9	166.9	165.1	164.0	158.1	155.9	151.2	147.0	142.6
29 Building and mining	1.44	286.2	281.7	286.4	289.7	290.3	293.0	293.6	295.6	293.8	294.6	289.0	274.9	256.9	243.1	230.5
30 Manufacturing	3.85	127.9	128.5	128.4	130.6	130.8	130.8	129.3	125.7	123.6	122.0	116.9	116.8	116.3	114.5	112.3
31 Power	1.47	149.7	149.9	150.8	151.2	151.6	152.7	150.4	148.4	147.1	145.5	137.4	141.1	139.0	137.6	135.8
32 Commercial transit, farm	5.86	198.0	198.6	199.4	200.4	202.5	200.9	198.5	196.2	195.0	196.3	188.5	189.9	189.5	187.9	187.2
33 Commercial	3.26	258.7	254.5	258.0	259.9	263.7	264.3	264.2	259.8	260.6	262.9	256.1	256.4	257.8	255.3	254.6
34 Transit	1.93	125.4	131.5	130.0	129.7	128.4	124.6	121.0	120.6	116.6	117.5	109.0	110.4	110.5	111.9	111.6
35 Farm	.67	112.0	119.7	113.9	114.9	118.0	111.8	102.1	104.6	101.7	98.9	88.4	95.1	84.9	78.8	....
36 Defense and space	7.51	102.7	101.5	102.0	101.7	102.6	102.8	103.0	104.5	105.3	107.0	105.2	106.5	107.2	107.3	107.9
Intermediate products																
37 Construction supplies	6.42	141.9	147.9	146.5	143.4	144.3	144.0	139.7	135.2	130.1	127.0	124.2	127.5	125.7	123.4	123.9
38 Business supplies	6.47	166.7	164.7	165.6	166.2	168.0	169.5	169.4	167.5	167.1	164.6	162.4	165.1	164.6	164.1	....
39 Commercial energy products	1.14	176.4	175.2	179.0	177.7	180.0	176.6	174.2	174.3	177.0	177.3	181.7	184.1	185.2	183.7	....
Materials																
40 Durable goods materials	20.35	149.1	151.8	152.8	152.4	153.6	154.3	150.4	145.6	141.0	134.0	129.7	132.4	130.5	128.0	126.8
41 Durable consumer parts	4.58	114.5	119.7	121.1	123.1	123.2	121.8	114.5	107.6	102.8	92.9	86.9	92.2	93.9	95.6	98.0
42 Equipment parts	5.44	191.2	192.8	194.0	193.2	193.8	194.7	192.7	190.3	188.7	183.3	177.2	180.1	177.8	174.0	171.5
43 Durable materials n.e.c.	10.34	142.3	144.3	145.1	143.9	145.9	147.4	144.1	138.9	132.9	126.1	123.6	125.1	121.8	118.1	116.1
44 Basic metal materials	5.57	112.0	113.8	114.3	112.8	114.5	117.4	113.1	106.5	101.6	94.8	94.5	94.3	88.4	81.6	....
45 Nondurable goods materials	10.47	174.6	179.3	179.0	176.9	176.5	175.4	175.5	170.6	164.7	158.3	156.8	164.2	162.2	160.5	160.3
46 Textile, paper, and chemical materials	7.62	181.4	186.8	187.3	183.7	183.5	182.4	182.5	176.4	169.9	161.9	159.1	167.9	166.7	164.6	164.5
47 Textile materials	1.85	113.0	115.1	114.9	113.4	115.5	116.0	114.9	111.6	106.9	102.0	97.3	102.2	104.1	104.6	....
48 Paper materials	1.62	150.6	152.2	150.9	149.8	150.0	151.5	155.1	149.6	150.2	141.2	143.2	148.5	147.4	143.9	....
49 Chemical materials	4.15	224.0	232.4	233.9	228.4	227.1	224.1	223.4	215.9	205.8	196.8	193.0	204.9	202.2	199.5	....
50 Containers, nondurable	1.70	169.3	172.0	167.8	171.4	171.7	169.4	170.9	166.7	163.5	161.9	162.4	166.7	162.3	159.6	....
51 Nondurable materials n.e.c.	1.14	137.4	139.7	140.5	139.6	136.6	137.8	136.2	137.1	131.9	128.6	132.4	136.0	132.4	134.4	....
52 Energy materials	8.48	129.0	123.1	123.0	129.3	133.3	132.6	128.9	128.3	128.1	127.4	130.9	130.3	128.8	126.7	125.7
53 Primary energy	4.65	115.0	104.2	104.4	113.7	120.3	120.9	117.4	116.4	115.6	115.9	119.2	119.5	120.3	117.6	....
54 Converted fuel materials	3.82	145.9	146.1	145.5	148.2	149.2	146.9	142.9	142.8	143.4	141.4	145.1	143.4	139.0	137.7	....
Supplementary groups																
55 Home goods and clothing	9.35	131.8	133.8	134.4	133.9	135.2	134.5	131.1	128.8	125.9	120.1	117.0	120.1	118.8	120.2	119.9
56 Energy, total	12.23	137.4	132.6	133.5	138.0	141.2	140.5	136.8	136.9	137.2	136.7	139.5	138.9	138.1	136.8	136.3
57 Products	3.76	156.4	154.1	157.3	157.6	159.1	158.4	154.8	156.1	157.8	157.7	158.8	158.4	159.1	159.6	....
58 Materials	8.48	129.0	123.1	123.0	129.3	133.3	132.6	128.9	128.3	128.1	127.4	130.9	130.3	128.8	126.7	125.7

2.13 Continued

Grouping	SIC code	1967 proportion	1981 avg[r]	1981 Apr.	1981 May	1981 June	1981 July	1981 Aug.	1981 Sept.	1981 Oct.	1981 Nov.	1981 Dec.	1982 Jan.	1982 Feb.[r]	1982 Mar.	1982 Apr.[p]	1982 May[e]
				Index (1967 = 100)													
MAJOR INDUSTRY																	
1 Mining and utilities	...	12.05	155.0	150.5	152.1	156.3	159.1	158.2	155.8	156.1	155.4	154.7	157.4	155.6	153.3	150.6	148.5
2 Mining	...	6.36	142.2	135.2	135.4	141.7	146.5	146.0	145.0	145.3	143.3	142.6	144.5	142.4	138.5	133.3	130.1
3 Utilities	...	5.69	169.1	167.6	170.7	172.7	173.1	171.9	167.8	168.1	168.9	168.2	171.8	170.4	169.9	170.0	169.1
4 Electric	...	3.88	190.9	188.6	192.9	195.6	196.2	194.2	188.3	189.4	190.9	190.2	195.2	192.5	191.6	191.6	190.3
5 Manufacturing	...	87.95	150.4	152.0	152.8	152.4	153.2	153.2	151.1	148.0	145.0	142.0	138.5	140.9	140.2	139.2	139.1
6 Nondurable	...	35.97	164.8	165.9	166.4	165.8	167.1	167.3	165.9	162.8	160.3	157.4	155.1	157.8	157.3	156.6	156.7
7 Durable	...	51.98	140.5	142.5	143.5	143.2	143.6	143.4	140.9	137.8	134.4	131.3	127.1	129.3	128.3	127.3	127.0
Mining																	
8 Metal	10	.51	123.1	123.1	125.0	123.5	123.6	124.1	121.5	119.8	115.4	110.9	121.3	120.8	109.3	99.4	...
9 Coal	11.12	.69	141.3	75.9	77.0	122.9	170.0	167.4	161.9	166.9	160.8	145.5	147.9	156.0	155.6	146.2	148.0
10 Oil and gas extraction	13	4.40	146.8	146.1	146.2	148.2	147.7	148.2	148.8	148.9	148.4	150.5	151.5	146.6	142.2	137.7	133.5
11 Stone and earth minerals	14	.75	129.4	133.7	132.2	132.7	133.3	128.2	123.4	122.0	116.7	115.7	115.8	120.5	120.9	119.0	...
Nondurable manufactures																	
12 Foods	20	8.75	152.1	151.9	152.2	151.3	151.6	151.9	150.7	151.4	153.0	152.8	151.1	151.7	150.5	...	...
13 Tobacco products	21	.67	122.2	122.2	122.3	120.9	121.3	123.8	122.4	124.3	119.6	112.6	112.7	126.7	127.7	...	...
14 Textile mill products	22	2.68	135.7	138.9	138.8	138.3	139.4	140.7	136.3	132.5	126.1	122.8	120.0	125.8	126.0	126.9	...
15 Apparel products	23	3.31	120.4	121.6	122.6	121.1	122.6	122.6	122.5	117.8	113.8	114.1	105.7	...	...	...	...
16 Paper and products	26	3.21	155.0	157.0	155.9	153.4	154.9	156.7	158.6	153.3	152.6	146.6	148.3	151.5	150.8	149.5	148.0
17 Printing and publishing	27	4.72	144.2	141.6	141.3	143.1	144.4	146.1	145.9	145.6	143.4	145.3	145.6	146.4	145.9	144.7	143.5
18 Chemicals and products	28	7.74	215.6	219.8	220.6	218.4	221.5	219.2	216.3	208.8	204.6	199.8	196.7	201.3	200.3	198.1	...
19 Petroleum products	29	1.79	129.7	130.0	129.8	129.3	128.7	130.4	129.1	128.3	128.0	128.3	123.3	119.5	122.4	123.0	125.3
20 Rubber and plastic products	30	2.24	274.0	275.2	280.3	285.1	285.3	286.7	282.2	276.0	264.1	247.3	244.7	251.8	252.9	255.1	...
21 Leather and products	31	.86	69.3	68.9	69.8	68.4	70.1	69.6	69.7	71.2	70.8	65.6	63.1	64.0	61.2	61.3	...
Durable manufactures																	
22 Ordnance, private and government	19.91	3.64	81.1	79.8	80.9	80.9	80.6	81.8	82.3	82.5	84.3	85.5	84.1	83.8	84.2	85.0	86.0
23 Lumber and products	24	1.64	119.1	126.3	126.2	122.5	122.9	119.1	113.2	109.6	104.7	104.8	99.2	104.9	103.5	102.9	...
24 Furniture and fixtures	25	1.37	157.2	158.7	158.9	162.4	164.9	163.3	159.9	157.2	153.7	149.4	144.3	148.4	150.3	151.0	...
25 Clay, glass, stone products	32	2.74	147.9	154.3	151.7	148.1	148.7	148.2	147.3	143.4	135.9	131.5	128.5	135.0	131.4	128.0	...
26 Primary metals	33	6.57	107.9	110.6	111.9	107.4	109.4	113.1	108.6	102.3	96.6	89.6	89.7	88.5	83.2	76.6	73.0
27 Iron and steel	331.2	4.21	99.8	103.4	105.6	98.5	99.7	105.1	99.2	92.2	87.2	79.2	79.6	78.5	73.4	65.4	...
28 Fabricated metal products	34	5.93	136.4	139.5	138.4	139.3	140.1	140.0	136.8	133.8	130.2	126.1	120.7	121.4	121.1	120.1	119.1
29 Nonelectrical machinery	35	9.15	171.2	169.7	172.1	174.1	176.7	176.4	173.9	169.7	167.9	167.4	160.9	160.0	157.3	154.3	152.1
30 Electrical machinery	36	8.05	178.4	178.8	179.9	180.1	180.9	182.6	180.0	179.6	175.7	170.7	168.2	172.9	172.5	173.6	173.4
31 Transportation equipment	37	9.27	116.1	121.3	123.7	123.4	119.8	115.4	114.2	110.6	106.1	103.7	96.6	102.0	104.6	106.4	110.2
32 Motor vehicles and parts	371	4.50	122.3	130.7	136.4	137.5	130.5	123.1	120.4	113.8	105.5	100.4	90.4	98.6	106.2	111.5	119.6
33 Aerospace and miscellaneous transportation equipment	372.9	4.77	110.2	112.4	111.8	110.2	109.7	108.2	108.5	107.5	106.8	106.8	102.4	105.3	103.2	101.7	101.2
34 Instruments	38	2.11	170.3	170.0	170.6	171.3	172.1	172.3	169.7	168.6	167.1	166.8	162.2	164.5	163.0	162.9	161.9
35 Miscellaneous manufactures	39	1.51	154.7	157.3	157.0	158.8	159.4	158.6	154.2	151.5	151.7	147.9	144.9	144.5	146.8	147.5	146.3
		Gross value (billions of 1972 dollars, annual rates)															
MAJOR MARKET																	
36 Products, total	...	**507.4[1]**	**612.3**	**616.2**	**622.2**	**619.2**	**621.4**	**616.5**	**611.5**	**605.0**	**597.6**	**592.8**	**577.4**	**588.1**	**587.2**	**584.9**	**588.9**
37 Final	...	390.9[1]	474.1	476.3	482.4	480.5	481.9	476.4	473.0	470.1	465.2	462.3	448.8	457.1	456.8	455.7	460.1
38 Consumer goods	...	277.5[1]	318.0	320.0	324.3	322.1	324.0	319.3	317.7	314.3	310.5	307.2	298.9	306.3	307.0	308.0	313.1
39 Equipment	...	113.4[1]	156.1	156.3	158.1	158.5	157.9	157.1	155.3	155.8	154.7	155.1	149.9	150.8	149.8	147.7	147.0
40 Intermediate	...	116.6[1]	138.2	139.9	139.8	138.7	139.5	140.1	138.4	134.9	132.4	130.5	128.7	131.1	130.4	129.1	128.8

1. 1972 dollar value.

NOTE. Published groupings include some series and subtotals not shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System: Washington, D.C.), December 1977

2.14 HOUSING AND CONSTRUCTION

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

Item	1979	1980	1981	1981 Sept.	1981 Oct.	1981 Nov.	1981 Dec.	1982 Jan.[r]	1982 Feb.[r]	1982 Mar.[r]	1982 Apr.
	Private residential real estate activity (thousands of units)										
NEW UNITS											
1 Permits authorized	1,552	1,191	986[r]	835[r]	738[r]	743[r]	797[r]	803	792	851	871
2 1-family	981	710	564[r]	456[r]	400[r]	413[r]	454	450	436	460	444
3 2-or-more-family	571	481	421[r]	379[r]	338[r]	330[r]	343[r]	353	356	391	427
4 Started	1,745	1,292	1,084	899	854	860	882	885	945	941	881
5 1-family	1,194	852	705	623	507	554	550	592	568	627	564
6 2-or-more-family	551	440	379	276	347	306	332	293	377	314	317
7 Under construction, end of period[1]	1,140	896	682	770	731	705	689	684	690	687	n.a.
8 1-family	639	515	382	428	410	397	391	394	402	402	n.a.
9 2-or-more-family	501	382	301	342	321	309	298	291	289	285	n.a.
10 Completed	1,855	1,502	1,266	1,202	1,265	1,067	1,114	1,063	921	917	n.a.
11 1-family	1,286	957	818	782	725	673	676	640	545	575	n.a.
12 2-or-more-family	569	545	447	420	540	394	438	423	376	342	n.a.
13 Mobile homes shipped	277	222	241	232	208	207	206	211	251	252	n.a.
Merchant builder activity in 1-family units											
14 Number sold	709	545	436	335	359	388	456	399	369	372	315
15 Number for sale, end of period[1]	402	342	278	304	291	282	272	275	277	271	266
Price (thousands of dollars)[2]											
Median											
16 Units sold	62.8	64.7	68.8	65.8	69.6	71.2	68.4	66.2	65.8	68.1	72.4
Average											
17 Units sold	71.9	76.4	83.1	81.3	82.5	85.3	82.8	78.0	80.9	84.7	85.7
EXISTING UNITS (1-family)											
18 Number sold	3,701	2,881	2,350	2,070	1,930	1,900	1,940	1,860	1,950	1,990	1,900
Price of units sold (thous. of dollars)[2]											
19 Median	55.5	62.1	66.1	67.1	66.0	65.9	66.6	66.4	66.9	67.0	67.5
20 Average	64.0	72.7	78.0	79.1	76.6	77.5	78.6	79.8	78.8	79.1	80.3
	Value of new construction[3] (millions of dollars)										
CONSTRUCTION											
21 Total put in place	**230,781**	**230,273**	**237,035**	**230,892**	**230,368**	**233,026**	**235,844**	**232,672**	**232,948**	**234,201**	**232,848**
22 Private	181,690	174,896	183,502	178,649	179,248	180,602	182,761	181,057	181,397	180,888	182,475
23 Residential	99,032	87,260	85,805	78,503	78,292	78,219	79,779	78,230	76,221	76,847	76,882
24 Nonresidential, total	82,658	87,636	97,697	100,146	100,956	102,383	102,982	102,827	105,176	104,041	105,593
Buildings											
25 Industrial	14,953	13,839	16,884	18,344	18,558	18,373	17,736	17,213	17,598	16,436	16,985
26 Commercial	24,919	29,940	33,485	33,412	33,046	34,506	35,921	36,789	37,907	38,990	39,493
27 Other	7,427	8,654	9,377	9,402	9,553	9,193	9,019	9,867	10,113	10,055	9,691
28 Public utilities and other	35,359	35,203	37,951	38,988	39,799	40,311	40,306	38,958	39,558	38,560	39,424
29 Public	49,088	55,371	53,534	52,243	51,120	52,423	53,083	51,616	51,551	53,313	50,373
30 Military	1,648	1,880	1,944	2,065	1,943	1,946	1,909	2,108	1,850	2,223	2,041
31 Highway	11,998	13,784	13,162	12,537	11,515	12,478	11,642	12,600	13,275	14,502	12,103
32 Conservation and development	4,586	5,089	5,267	4,910	6,978	4,868	4,908	5,378	5,395	5,121	5,260
33 Other	30,856	34,618	33,161	32,731	30,684	33,131	34,624	31,530	31,031	31,467	30,969

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 1982 (1967 = 100)[1]
	1981 Apr	1982 Apr	1981 June	1981 Sept	1981 Dec	1982 Mar	1981 Dec	1982 Jan.	1982 Feb.	1982 Mar.	1982 Apr.	
CONSUMER PRICES[2]												
1 **All items**	**10.0**	**6.6**	**8.1**	**12.8**	**5.4**	**1.0**	**.4**	**.3**	**.2**	**−.3**	**.2**	**284.3**
2 Commodities	9.1	3.2	3.2	8.5	3.6	.8	.3	.1	.2	.5	.3	258.9
3 Food	9.6	4.0	2.2	7.7	1.7	3.9	.1	.7	.6	.4	.3	283.9
4 Commodities less food	8.9	2.9	3.8	9.0	4.3	2.6	.4	.1	.0	.5	.5	245.0
5 Durable	7.9	6.6	9.7	10.8	1.2	3.5	.3	.2	.4	.2	.6	235.8
6 Nondurable	10.0	1.2	1.4	4.6	3.8	4.9	.3	.2	.8	.7	2.2	255.0
7 Services	11.3	11.2	14.8	19.2	7.8	3.5	.5	.5	.4	.0	.9	328.4
8 Rent	9.2	7.8	7.7	10.2	9.0	5.9	.7	.6	.4	.5	.2	220.1
9 Services less rent	11.7	11.6	15.8	20.4	7.6	3.3	.4	.5	.4	.0	1.0	349.1
Other groupings												
10 All items less food	10.1	7.1	9.3	13.9	6.2	.9	.4	.2	.2	.2	.2	282.9
11 All items less food and energy	9.5	8.8	11.6	15.0	5.6	3.0	.5	.3	.4	.0	0.8	272.2
12 Homeownership	10.3	9.2	16.9	21.5	.3	2.4	.2	.1	.4	.9	1.3	370.6
PRODUCER PRICES												
13 Finished goods	10.9	3.1	7.1	3.4	5.2	.3	.3	.4	.1	.1	.1	276.9
14 Consumer	11.0	2.3	6.4	2.8	4.0	.1	.2	.4	.1	.3	.0	276.9
15 Foods	9.5	3.1	3.5	1.6	3.7	6.0	.1	1.1	.5	.2	1.6	259.8
16 Excluding foods	11.5	2.0	7.6	3.2	7.2	2.2	.3	.1	.3	.4	.7	281.7
17 Capital equipment	10.4	6.3	10.0	5.7	9.7	2.1	.6	.4	.4	.5	.4	277.1
18 Intermediate materials[3]	10.9	1.9	8.0	5.2	2.8	1.4	.2	.3	.3	.3	.8	315.3
Crude materials												
19 Nonfood	25.1	4.4	16.1	1.1	5.6	18.1	.1	1.0	1.9	2.0	.2	470.4
20 Food	11.7	3.5	6.4	18.2	25.5	23.3	2.8	4.4	.7	.2	3.5	254.3

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

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1979	1980	1981	1981				1982
				Q1	Q2	Q3	Q4	Q1[r]
GROSS NATIONAL PRODUCT								
1 **Total**	**2,413.9**	**2,626.1**	**2,925.5**	**2,853.0**	**2,885.8**	**2,965.0**	**2,998.3**	**2,991.6**
By source								
2 Personal consumption expenditures	1,510.9	1,672.8	1,857.8	1,810.1	1,829.1	1,883.9	1,908.3	1,945.1
3 Durable goods	212.3	211.9	232.0	238.3	227.3	236.2	226.4	236.5
4 Nondurable goods	602.2	675.7	743.2	726.0	735.3	751.3	760.3	761.6
5 Services	696.3	785.2	882.6	845.8	866.5	896.4	921.5	946.9
6 Gross private domestic investment	415.8	395.3	450.5	437.1	458.6	463.0	443.3	391.4
7 Fixed investment	398.3	401.2	434.4	432.7	435.3	435.6	434.0	430.7
8 Nonresidential	279.7	296.0	328.9	315.9	324.6	335.1	339.8	337.3
9 Structures	96.3	108.8	125.7	117.2	123.1	128.3	134.3	135.1
10 Producers' durable equipment	183.4	187.1	203.1	198.7	201.5	206.8	205.5	202.2
11 Residential structures	118.6	105.3	105.5	116.7	110.7	100.5	94.2	93.5
12 Nonfarm	113.9	100.3	100.0	111.4	105.4	94.9	88.4	87.9
13 Change in business inventories	17.5	-5.9	16.2	4.5	23.3	27.5	9.4	-39.3
14 Nonfarm	13.4	-4.7	13.8	6.8	21.5	23.1	3.7	-38.1
15 Net exports of goods and services	13.4	23.3	26.0	29.2	20.8	29.3	24.7	28.6
16 Exports	281.3	339.8	367.3	367.4	368.2	368.0	365.6	356.5
17 Imports	267.9	316.5	341.3	338.2	347.5	338.7	341.0	327.9
18 Government purchases of goods and services	473.8	534.7	591.2	576.5	577.4	588.9	622.0	626.5
19 Federal	167.9	198.9	230.2	221.6	219.5	226.4	253.3	254.0
20 State and local	305.9	335.8	361.0	354.9	357.9	362.5	368.7	372.5
By major type of product								
21 Final sales, total	2,396.4	2,632.0	2,909.4	2,848.5	2,862.5	2,937.6	2,989.0	3,030.9
22 Goods	1,055.9	1,130.4	1,272.3	1,247.5	1,257.0	1,298.3	1,286.4	1,258.7
23 Durable	451.2	458.6	506.9	501.4	516.9	525.2	484.2	461.3
24 Nondurable	604.7	671.9	765.4	746.1	740.1	773.0	802.2	797.4
25 Services	1,097.2	1,229.6	1,371.7	1,317.1	1,344.7	1,390.5	1,434.4	1,457.0
26 Structures	260.8	266.0	281.6	288.4	284.1	276.3	277.5	275.9
27 Change in business inventories	17.5	-5.9	16.2	4.5	23.3	27.5	9.4	-39.3
28 Durable goods	11.5	-4.0	7.4	-4.2	18.5	18.6	-3.3	-33.7
29 Nondurable goods	6.0	-1.8	8.8	8.6	4.8	8.9	12.7	-5.6
30 MEMO: **Total GNP in 1972 dollars**	**1,483.0**	**1,480.7**	**1,510.3**	**1,516.4**	**1,510.4**	**1,515.8**	**1,498.4**	**1,482.2**
NATIONAL INCOME								
31 **Total**	**1,963.3**	**2,121.4**	**2,347.2**	**2,291.1**	**2,320.9**	**2,377.6**	**2,399.1**	**2,394.6**
32 Compensation of employees	1,460.9	1,596.5	1,771.6	1,722.4	1,752.0	1,790.7	1,821.3	1,844.2
33 Wages and salaries	1,235.9	1,343.6	1,482.8	1,442.9	1,467.0	1,498.7	1,522.5	1,538.1
34 Government and government enterprises	235.9	253.6	273.9	267.1	270.5	274.7	283.2	287.1
35 Other	1,000.0	1,090.0	1,208.8	1,175.7	1,196.4	1,224.0	1,239.2	1,251.0
36 Supplement to wages and salaries	225.0	252.9	288.8	279.5	285.1	292.0	298.8	306.1
37 Employer contributions for social insurance	106.4	115.8	134.7	131.5	133.2	135.6	138.4	142.3
38 Other labor income	118.6	137.1	154.1	148.0	151.8	156.3	160.4	163.8
39 Proprietors' income[1]	131.6	130.6	134.8	132.1	134.1	137.1	135.9	127.7
40 Business and professional[1]	100.7	107.2	112.4	113.2	112.5	112.4	111.5	110.7
41 Farm[1]	30.8	23.4	22.4	18.9	21.7	24.7	24.4	17.0
42 Rental income of persons[2]	30.5	31.8	33.6	32.7	33.3	33.9	34.5	34.8
43 Corporate profits[1]	196.8	182.7	191.7	203.0	190.3	195.7	177.6	149.9
44 Profits before tax[3]	255.4	245.5	233.3	257.0	229.0	234.4	212.8	169.8
45 Inventory valuation adjustment	-42.6	-45.7	-27.7	-39.2	-24.0	-25.3	-22.3	-10.1
46 Capital consumption adjustment	-15.9	-17.2	-13.9	-14.7	-14.7	-13.4	-12.8	-9.7
47 Net interest	143.4	179.8	215.4	200.8	211.0	220.2	229.7	238.0

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.49.

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	1979	1980	1981	1981				1982
				Q1	Q2	Q3	Q4	Q1[r]
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**1,943.8**	**2,160.2**	**2,404.1**	**2,319.8**	**2,368.5**	**2,441.7**	**2,486.5**	**2,511.3**
2 Wage and salary disbursements	1,236.1	1,343.7	1,482.7	1,442.9	1,467.0	1,498.5	1,522.5	1,538.3
3 Commodity-producing industries	437.9	465.4	512.7	501.3	508.1	520.2	521.0	520.5
4 Manufacturing	333.4	350.7	387.3	377.4	386.7	393.9	391.0	389.7
5 Distributive industries	303.0	328.9	361.1	351.9	357.8	365.3	369.5	373.6
6 Service industries	259.2	295.7	335.0	322.5	330.5	338.5	348.7	356.9
7 Government and government enterprises	236.1	253.6	273.9	267.1	270.5	274.5	283.3	287.3
8 Other labor income	118.6	137.1	154.1	148.0	151.8	156.3	160.4	163.8
9 Proprietors' income[1]	131.6	130.6	134.8	132.1	134.1	137.1	135.9	127.7
10 Business and professional[1]	100.8	107.2	112.4	113.2	112.5	112.4	111.5	110.7
11 Farm[1]	30.8	23.4	22.4	18.9	21.7	24.7	24.4	17.0
12 Rental income of persons[2]	30.5	31.8	33.6	32.7	33.3	33.9	34.5	34.8
13 Dividends	48.6	54.4	61.3	58.0	60.2	63.0	64.1	64.7
14 Personal interest income	209.6	256.3	308.5	288.7	300.9	315.7	328.7	339.0
15 Transfer payments	249.4	294.2	333.2	319.6	324.2	342.2	347.0	354.2
16 Old-age survivors, disability, and health insurance benefits	131.8	153.8	180.4	169.8	172.0	188.5	191.2	194.4
17 LESS: Personal contributions for social insurance	80.6	87.9	104.2	102.3	103.1	105.0	106.5	111.2
18 EQUALS: Personal income	1,943.8	2,160.2	2,404.1	2,319.8	2,368.5	2,441.7	2,486.5	2,511.3
19 LESS: Personal tax and nontax payments	302.0	338.5	388.2	372.0	382.9	399.8	398.0	398.3
20 EQUALS: Disposable personal income	1,641.7	1,821.7	2,016.0	1,947.8	1,985.6	2,042.0	2,088.5	2,113.0
21 LESS: Personal outlays	1,555.5	1,720.4	1,908.4	1,858.9	1,879.0	1,935.1	1,960.5	1,997.6
22 EQUALS: Personal saving	86.2	101.3	107.6	88.9	106.6	106.9	128.0	115.4
MEMO:								
Per capita (1972 dollars)								
23 Gross national product	6,588	6,503	6,570	6,619	6,581	6,585	6,494	6,411
24 Personal consumption expenditures	4,135	4,108	4,171	4,191	4,162	4,184	4,150	4,171
25 Disposable personal income	4,493	4,473	4,526	4,511	4,517	4,535	4,541	4,531
26 Saving rate (percent)	5.2	5.6	5.3	4.6	5.4	5.2	6.1	5.5
GROSS SAVING								
27 **Gross saving**	**412.0**	**401.9**	**455.5**	**442.6**	**465.3**	**469.4**	**444.7**	**400.6**
28 Gross private saving	398.9	432.9	480.1	451.1	475.3	486.2	507.7	490.6
29 Personal saving	86.2	101.3	107.6	88.9	106.6	106.9	128.0	115.4
30 Undistributed corporate profits[1]	59.1	44.3	50.8	55.7	52.0	52.8	42.9	32.1
31 Corporate inventory valuation adjustment	42.6	45.7	27.7	39.2	24.0	25.3	-22.3	10.1
Capital consumption allowances								
32 Corporate	155.4	175.4	197.7	187.5	194.6	201.1	207.7	211.7
33 Noncorporate	98.2	111.8	123.9	119.0	122.0	125.4	129.1	131.3
34 Wage accruals less disbursements	.0	.0	.0	0	.0	.0	.0	.0
35 Government surplus, or deficit (−), national income and product accounts	11.9	32.1	-25.7	9.7	11.2	17.9	-64.1	90.0
36 Federal	14.8	-61.2	-62.4	46.6	47.2	55.7	100.0	-126.4
37 State and local	26.7	29.1	36.7	36.9	36.1	37.8	35.9	36.4
38 Capital grants received by the United States, net	1.1	1.1	1.1	1.1	1.1	1.1	1.1	.0
39 **Gross investment**	**414.1**	**401.2**	**454.7**	**446.0**	**458.3**	**469.6**	**444.8**	**396.4**
40 Gross private domestic	415.8	395.3	450.5	437.1	458.6	463.0	443.3	391.4
41 Net foreign	1.7	5.9	4.2	8.8	.2	6.5	1.5	5.0
42 **Statistical discrepancy**	**2.2**	**−.7**	**−.8**	**3.4**	**−6.9**	**.2**	**.2**	**−4.2**

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	1979	1980	1981	1980	1981			
				Q4	Q1	Q2	Q3	Q4
1 Balance on current account	1,414	3,723	6,578	1,390	3,334	1,212	2,115	-85
2 Not seasonally adjusted	....	....	....	3,244	3,546	2,438	863	1,457
3 Merchandise trade balance[2]	27,346	25,342	-27,817	5,570	4,661	-6,894	7,026	-9,236
4 Merchandise exports	184,473	223,966	236,300	57,149	60,990	60,369	57,929	57,012
5 Merchandise imports	-211,819	249,308	-264,117	-62,719	-65,651	-67,263	-64,955	-66,248
6 Military transactions, net	1,947	2,515	1,943	715	-568	698	87	-590
7 Investment income, net[3]	33,462	32,762	36,757	8,257	9,083	8,764	9,257	9,650
8 Other service transactions, net	2,839	5,874	6,344	1,762	1,007	1,558	1,819	1,962
9 Remittances, pensions, and other transfers	-2,057	2,397	2,302	-720	550	553	-599	602
10 U.S. government grants (excluding military)	-3,536	4,659	4,460	1,624	977	-965	-1,249	-1,269
11 Change in U.S. government assets, other than official reserve assets, net (increase, −)	3,767	5,165	5,138	-1,094	-1,395	1,485	1,282	976
12 Change in U.S. official reserve assets (increase, −)	1,132	8,155	5,175	-4,279	4,529	-905	4	262
13 Gold	-65	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	1,136	-16	1,823	1,285	1,441	23	-225	134
15 Reserve position in International Monetary Fund	189	-1,667	2,491	-1,240	-707	780	-647	-358
16 Foreign currencies	257	-6,472	861	4,324	2,381	102	868	754
17 Change in U.S. private assets abroad (increase, −)[3]	57,739	-71,456	96,265	-22,622	16,483	-19,590	-15,423	44,771
18 Bank-reported claims	26,213	-46,947	-84,462	13,139	-11,241	-15,627	15,209	-42,385
19 Nonbank-reported claims	-3,026	2,653	n.a.	-2,005	3,192	2,470	1,451	n.a.
20 U.S. purchase of foreign securities, net	-4,552	-3,310	-5,536	356	-488	1,479	642	-2,928
21 U.S. direct investments abroad, net[3]	-23,948	-18,546	6,995	7,122	1,562	-4,954	1,023	542
22 Change in foreign official assets in the United States (increase, +)	13,757	15,492	5,208	7,712	5,503	2,779	-5,663	8,147
23 U.S. Treasury securities	22,435	9,683	5,008	6,911	7,242	2,069	-4,634	4,469
24 Other U.S. government obligations	463	2,187	1,279	587	454	536	545	256
25 Other U.S. government liabilities[4]	-133	636	170	205	-112	177	161	266
26 Other U.S. liabilities reported by U.S. banks	7,213	-159	3,916	-460	2,910	-2,070	-2,387	3,451
27 Other foreign official assets[5]	1,135	3,145	2,667	469	829	647	974	217
28 Change in foreign private assets in the United States (increase, +)[3]	52,703	34,769	69,148	16,157	1,637	15,667	21,512	30,333
29 U.S. bank-reported liabilities	32,607	10,743	41,332	7,737	-3,889	7,916	16,795	20,510
30 U.S. nonbank-reported liabilities	2,065	5,109	n.a.	3,228	820	293	273	n.a.
31 Foreign private purchases of U.S. Treasury securities, net	4,820	2,679	2,914	893	1,405	733	449	1,225
32 *Foreign purchases of other U.S. securities, net*	1,334	5,384	7,078	2,240	2,454	3,472	759	393
33 Foreign direct investments in the United States, net[3]	11,877	10,853	18,664	2,059	2,487	3,839	4,134	8,205
34 Allocation of SDRs	1,139	1,152	1,093	0	1,093	0	0	0
35 Discrepancy	21,140	29,640	24,551	2,736	10,840	7,880	-1,255	7,090
36 Owing to seasonal adjustments	...	....	......	2,139	-401	1,161	-2,631	1,875
37 Statistical discrepancy in recorded data before seasonal adjustment	21,140	29,640	24,551	597	11,241	6,719	1,376	5,215
MEMO.								
Changes in official assets								
38 U.S. official reserve assets (increase, −)	1,132	8,155	5,175	-4,279	-4,529	905	4	262
39 Foreign official assets in the United States (increase, +)	13,624	14,856	5,038	7,507	5,615	-2,956	-5,502	7,881
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	5,543	12,744	13,419	1,024	5,446	2,676	3,065	2,232
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	305	635	581	211	192	214	132	44

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	1979	1980	1981	1981			1982			
				Oct	Nov	Dec.	Jan	Feb.	Mar	Apr.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	181,860	220,626	233,677	19,163	19,153	18,885	18,737	18,704	18,602	17,843
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	209,458	244,871	261,305	23,077	22,508	19,746	22,829	19,090	20,349	17,387
3 **Trade balance**	**−27,598**	**−24,245**	**−27,628**	**−3,914**	**−3,355**	**−861**	**−4,092**	**−387**	**−1,747**	**456**

NOTE. The data through 1981 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. Beginning with 1982 data, the value of imports are on a customs valuation basis.

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side,* the largest adjustments are: (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	1981			1982				
				Oct.	Nov.	Dec	Jan.	Feb.	Mar	Apr.	May
1 **Total**[1]	**18,650**	**18,956**	**26,756**	**30,248**	**31,002**	**30,075**	**30,098**	**30,060**	**29,944**	**31,552**	**30,915**
2 Gold stock, including Exchange Stabilization Fund[1]	11,671	11,172	11,160	11,152	11,152	11,151	11,151	11,150	11,150	11,149	11,149
3 Special drawing rights[2,3]	1,558	2,724	2,610	3,949	4,109	4,095	4,176	4,359	4,306	4,294	4,521
4 Reserve position in International Monetary Fund[2]	1,047	1,253	2,852	4,736	5,009	5,055	5,237	5,275	5,367	6,022	6,099
5 Foreign currencies[4,5]	4,374	3,807	10,134	10,411	10,732	9,774	9,534	9,276	9,121	10,087	9,146

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 OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1978	1979	1980	1981		1982				
				Nov.	Dec.	Jan.	Feb.	Mar	Apr.	May
1 Deposits	367	429	411	534	505	333	416	421	966	308
Assets held in custody										
2 U.S. Treasury securities[1]	117,126	95,075	102,417	103,894	104,680	104,631	103,557	103,964	102,346	102,112
3 Earmarked gold[2]	15,463	15,169	14,965	14,802	14,804	14,802	14,791	14,798	14,788	14,778

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.

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

Millions of dollars, end of period

Asset account	1978[1]	1979	1980	1981				1982		
				Sept	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.[p]
	All foreign countries									
1 **Total, all currencies**	**306,795**	**364,409**	**401,135**	**450,234**	**444,654**	**462,810**	**462,635**	**459,913**	**461,218**	**463,176**
2 Claims on United States	17,340	32,302	28,460	46,369	41,554	44,562	63,435	66,864[r]	65,918	72,927
3 Parent bank	12,811	25,929	20,202	32,249	26,833	26,540	42,940	46,712	45,128	48,648
4 Other	4,529	6,373	8,258	14,120	14,721	18,022	20,495	20,152[r]	20,790	24,279
5 Claims on foreigners	278,135	317,330	354,960	384,407	383,463	397,825	379,193	373,108[r]	375,518	371,045
6 Other branches of parent bank	70,338	79,662	77,019	84,627	83,597	89,269	87,840	91,934	92,414	89,371
7 Banks	103,111	123,420	146,448	159,637	156,833	161,510	150,919	145,538[r]	146,369	146,976
8 Public borrowers[2]	23,737	26,097	28,033	29,927	30,211	30,181	28,193	26,632	26,911	26,314
9 Nonbank foreigners	80,949	88,151	103,460	110,216	112,822	116,865	112,241	109,004	109,824	108,384
10 Other assets	11,320	14,777	17,715	19,458	19,637	20,423	20,007	19,941	19,782	19,204
11 **Total payable in U.S. dollars**	**224,940**	**267,713**	**291,798**	**343,067**	**336,839**	**348,945**	**350,564**	**351,180**	**353,081**	**355,019**
12 Claims on United States	16,382	31,171	27,191	45,116	40,370	43,271	61,838	65,327	64,363	71,352
13 Parent bank	12,625	25,632	19,896	31,991	26,639	26,347	42,397	46,155	44,535	48,003
14 Other	3,757	5,539	7,295	13,125	13,731	16,924	19,441	19,182[r]	19,828	23,349
15 Claims on foreigners	203,498	229,120	255,391	286,367	284,590	293,690	277,059	273,653[r]	276,749	271,915
16 Other branches of parent bank	55,408	61,525	58,541	66,279	65,859	69,938	69,382	74,895	75,868	72,884
17 Banks	78,686	96,261	117,342	131,524	127,944	131,576	122,287	117,147[r]	118,239	117,286
18 Public borrowers[2]	19,567	21,629	23,491	24,709	25,199	25,121	22,859	21,244	21,543	20,631
19 Nonbank foreigners	49,837	49,705	56,017	63,855	65,588	67,055	62,531	60,367	61,099	61,114
20 Other assets	5,060	7,422	9,216	11,584	11,879	11,984	11,667	12,190	11,969	11,752
	United Kingdom									
21 **Total, all currencies**	**106,593**	**130,873**	**144,717**	**154,096**	**153,615**	**161,531**	**157,229**	**157,892**	**162,351**	**161,101**
22 Claims on United States	5,370	11,117	7,509	11,167	9,668	9,315	11,823	12,045	13,458	13,554
23 Parent bank	4,448	9,338	5,275	7,842	6,351	5,162	7,885	8,374	9,618	9,549
24 Other	922	1,779	2,234	3,325	3,317	4,153	3,938	3,671	3,840	4,005
25 Claims on foreigners	98,137	115,123	131,142	137,056	137,879	145,889	138,888	139,843	142,623	141,711
26 Other branches of parent bank	27,830	34,291	34,760	39,117	38,799	41,476	41,367	43,358	43,361	43,698
27 Banks	45,013	51,343	58,741	58,986	59,307	63,044	56,315	56,164	57,975	57,002
28 Public borrowers[2]	4,522	4,919	6,688	7,112	7,305	7,463	7,490	7,249	7,370	7,548
29 Nonbank foreigners	20,772	24,570	30,953	31,841	32,468	33,906	33,716	33,072	33,917	33,463
30 Other assets	3,086	4,633	6,066	5,873	6,068	6,327	6,518	6,004	6,270	5,836
31 **Total payable in U.S. dollars**	**75,860**	**94,287**	**99,699**	**113,014**	**112,064**	**117,454**	**115,188**	**116,870**	**121,436**	**120,050**
32 Claims on United States	5,113	10,746	7,116	10,703	9,201	8,811	11,249	11,574	12,966	13,053
33 Parent bank	4,386	9,297	5,229	7,779	6,299	5,110	7,724	8,234	9,456	9,396
34 Other	727	1,449	1,887	2,924	2,902	3,701	3,525	3,340	3,510	3,657
35 Claims on foreigners	69,416	81,294	89,723	98,611	98,934	104,741	99,847	101,337	104,286	102,919
36 Other branches of parent bank	22,838	28,928	28,268	32,845	32,698	34,905	35,436	37,739	38,122	38,556
37 Banks	31,482	36,760	42,073	43,605	43,345	46,463	40,703	40,610	42,453	40,702
38 Public borrowers[2]	3,317	3,319	4,911	5,281	5,485	5,500	5,595	5,423	5,467	5,367
39 Nonbank foreigners	11,779	12,287	14,471	16,880	17,406	17,873	18,113	17,565	18,244	18,294
40 Other assets	1,331	2,247	2,860	3,700	3,929	3,902	4,092	3,959	4,184	4,078
	Bahamas and Caymans									
41 **Total, all currencies**	**91,735**	**108,977**	**123,837**	**147,904**	**142,687**	**148,557**	**149,051**	**146,516**	**142,853**	**143,710**
42 Claims on United States	9,635	19,124	17,751	29,896	26,741	29,909	46,246	49,607[r]	47,712	53,996
43 Parent bank	6,429	15,196	12,631	20,372	16,717	17,665	31,323	34,849	32,262	34,884
44 Other	3,206	3,928	5,120	9,524	10,024	12,244	14,923	14,758[r]	15,450	19,112
45 Claims on foreigners	79,774	86,718	101,926	113,048	110,781	113,486	98,302	92,509[r]	90,753	85,403
46 Other branches of parent bank	12,904	9,689	13,342	13,174	13,066	13,972	12,951	15,101	15,732	12,035
47 Banks	33,677	43,189	54,861	62,946	60,220	61,337	55,333	50,726[r]	48,970	47,820
48 Public borrowers[2]	11,514	12,905	12,577	12,431	12,637	12,741	10,006	8,709	8,580	7,980
49 Nonbank foreigners	21,679	20,935	21,146	24,497	24,858	25,436	20,012	17,973	17,471	17,568
50 Other assets	2,326	3,135	4,160	4,960	5,165	5,162	4,503	4,400	4,388	4,311
51 **Total payable in U.S. dollars**	**85,417**	**102,368**	**117,654**	**142,053**	**136,854**	**142,632**	**143,686**	**141,379**	**137,817**	**138,608**

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, including corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

3.14 Continued

Liability account	1978[1]	1979	1980	1981 Sept.	1981 Oct	1981 Nov	1981 Dec	1982 Jan	1982 Feb.	1982 Mar *p*
	All foreign countries									
52 **Total, all currencies**	**306,795**	**364,409**	**401,135**	**450,234**	**444,654**	**462,810**	**462,635**	**459,913**	**461,218**	**463,176**
53 To United States	58,012	66,689	91,079	124,096	120,039	128,084	137,686	144,002	145,091	149,996
54 Parent bank	28,654	24,533	39,286	48,592	45,909	49,385	56,144	55,963	55,092	58,439
55 Other banks in United States	12,169	13,968	14,473	17,657	16,464	16,663	19,319	19,839′	22,613	24,404
56 Nonbanks	17,189	28,188	37,275	57,847	57,666	62,036	62,223	68,200′	67,386	67,153
57 To foreigners	238,912	283,510	295,411	306,785	305,040	316,232	305,643	296,364	296,634	293,705
58 Other branches of parent bank	67,496	77,640	75,773	83,336	82,038	87,831	86,423	85,800	84,679	85,864
59 Banks	97,711	122,922	132,116	127,794	128,536	132,111	124,889	118,504	118,982	117,095
60 Official institutions	31,936	35,668	32,473	28,715	27,685	24,696	25,997	25,126	24,626	23,008
61 Nonbank foreigners	41,769	47,280	55,049	66,940	66,781	71,594	68,334	66,934	68,347	67,738
62 Other liabilities	9,871	14,210	14,690	19,353	19,575	18,494	19,306	19,547	19,493	19,475
63 **Total payable in U.S. dollars**	**230,810**	**273,857**	**303,281**	**355,030**	**349,602**	**360,971**	**364,228**	**364,063**	**366,986**	**368,992**
64 To United States	55,811	64,530	88,157	121,130	117,362	125,121	134,582	141,038	142,186	146,935
65 Parent bank	27,519	23,403	37,528	46,766	44,170	47,456	54,252	53,932′	53,150	56,427
66 Other banks in United States	11,915	13,771	14,203	17,479	16,313	16,564	19,005	19,712′	22,382	24,163
67 Nonbanks	16,377	27,356	36,426	56,885	56,879	61,101	61,325	67,394′	66,654	66,345
68 To foreigners	169,927	201,514	206,883	221,090	219,818	224,610	217,487	211,042	213,349	210,611
69 Other branches of parent bank	53,396	60,551	58,172	66,256	65,160	69,561	69,189	69,305	68,505	69,780
70 Banks	63,000	80,691	87,497	84,670	84,552	84,789	79,590	74,283	76,142	73,176
71 Official institutions	26,404	29,048	24,697	22,836	21,948	18,911	20,288	19,939	19,323	18,120
72 Nonbank foreigners	27,127	31,224	36,517	47,328	48,158	51,349	48,420	47,515	49,379	49,535
73 Other liabilities	5,072	7,813	8,241	12,810	12,422	11,240	12,159	11,983	11,451	11,446
	United Kingdom									
74 **Total, all currencies**	**106,593**	**130,873**	**144,717**	**154,096**	**153,615**	**161,531**	**157,229**	**157,892**	**162,351**	**161,101**
75 To United States	9,730	20,986	21,785	34,143	32,960	36,316	38,022	40,740	43,185	41,876
76 Parent bank	1,887	3,104	4,225	5,370	3,542	4,045	5,444	6,385	6,592	6,078
77 Other banks in United States	4,189	7,693	5,716	6,396	6,054	6,652	7,502	7,313	8 973	8,607
78 Nonbanks	3,654	10,189	11,844	22,377	23,364	25,619	25,076	27,042	27 620	27,191
79 To foreigners	93,202	104,032	117,438	113,862	114,415	118,401	112,255	110,064	111,590	111,497
80 Other branches of parent bank	12,786	12,567	15,384	15,121	15,544	16,090	16,545	16,298	16,719	17,480
81 Banks	39,917	47,620	56,262	51,830	53,634	56,239	51,336	49,622	49,937	49,616
82 Official institutions	20,963	24,202	21,412	18,687	17,442	15,089	16,517	16,110	15,965	14,608
83 Nonbank foreigners	19,536	19,643	24,380	28,224	27,795	30,983	27,857	28,034	28,969	29,793
84 Other liabilities	3,661	5,855	5,494	6,091	6,240	6,814	6,952	7,088	7,576	7,728
85 **Total payable in U.S. dollars**	**77,030**	**95,449**	**103,440**	**117,920**	**117,346**	**122,362**	**120,277**	**121,407**	**127,029**	**125,989**
86 To United States	9,328	20,552	21,080	33,464	32,408	35,706	37,325	40,248	42,646	41,280
87 Parent bank	1,836	3,054	4,078	5,309	3,484	3,956	5,343	6,268	6,497	5,976
88 Other banks in United States	4,101	7,651	5,626	6,317	5,976	6,611	7,249	7,289	8,884	8,489
89 Nonbanks	3,391	9,847	11,376	21,838	22,948	25,139	24,733	26,691	27,265	26,815
90 To foreigners	66,216	72,397	79,636	80,638	81,260	82,766	79,041	77,491	80,744	81,060
91 Other branches of parent bank	9,635	8,446	10,474	10,747	11,121	11,457	12,055	11,928	12,417	13,365
92 Banks	25,287	29,424	35,388	33,010	34,312	35,141	32,298	30,995	32,249	32,090
93 Official institutions	17,091	20,192	17,024	15,514	14,415	12,133	13,612	13,497	13,418	12,196
94 Nonbank foreigners	14,203	14,335	16,750	21,367	21,412	24,035	21,076	21,071	22,660	23,409
95 Other liabilities	1,486	2,500	2,724	3,818	3,678	3,890	3,911	3,668	3,639	3,649
	Bahamas and Caymans									
96 **Total, all currencies**	**91,735**	**108,977**	**123,837**	**147,904**	**142,687**	**148,557**	**149,051**	**146,516**	**142,853**	**143,710**
97 To United States	39,431	37,719	59,666	77,533	75,991	80,161	85,704	88,967	87,364	91,673
98 Parent bank	20,482	15,267	28,181	33,282	33,387	36,066	39,250	37,777′	36,683	39,146
99 Other banks in United States	6,073	5,204	7,379	9,964	9,349	8,971	10,620	11,185′	12,176	14,267
100 Nonbanks	12,876	17,248	24,106	34,287	33,255	35,124	35,834	40,005	38,505	38,260
101 To foreigners	50,447	68,598	61,218	66,627	62,795	64,462	60,012	54,491	52,398	49,057
102 Other branches of parent bank	16,094	20,875	17,040	22,393	20,521	23,307	20,641	20,721	19,814	18,614
103 Banks	23,104	33,631	29,895	27,983	25,396	24,712	23,202	18,590	18,252	16,428
104 Official institutions	4,208	4,866	4,361	4,028	4,078	3,381	3,498	3,149	2,505	2,607
105 Nonbank foreigners	7,041	9,226	9,922	12,223	12,800	13,062	12,671	12,031	11,827	11,408
106 Other liabilities	1,857	2,660	2,953	3,744	3,901	3,934	3,335	3,058	3,091	2,980
107 **Total payable in U.S. dollars**	**87,014**	**103,460**	**119,657**	**143,507**	**138,094**	**144,034**	**145,227**	**142,728**	**139,247**	**139,971**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1979	1980	1981			1982			
			Oct.	Nov.	Dec.	Jan	Feb.	Mar.p	Apr.p
1 **Total**[1]	**149,697**	**164,578**	**159,795**	**164,545**	**169,436**	**167,959**	**166,168**	**166,714**	**164,981**
By type									
2 Liabilities reported by banks in the United States[2]	30,540	30,381	20,928	23,436	26,306	24,099	24,672	25,011	25,760
3 U.S. Treasury bills and certificates[3]	47,666	56,243	48,867	49,644	52,389	52,306	48,174	47,048	43,850
U.S. Treasury bonds and notes									
4 Marketable	37,590	41,455	51,940	53,937	53,150	53,992	56,333	57,644	58,471
5 Nonmarketable[4]	17,387	14,654	12,191	11,791	11,791	11,791	11,291	11,291	11,050
6 U.S. securities other than U.S. Treasury securities[5]	16,514	21,845	25,869	25,737	25,800	25,771	25,698	25,720	25,850
By area									
7 Western Europe[1]	85,633	81,592	61,086	63,107	65,218	63,048	62,034	60,324	57,277
8 Canada	1,898	1,562	1,073	2,248	2,403	2,369	1,669	1,647	1,722
9 Latin America and Caribbean	6,291	5,688	5,089	5,051	6,934	5,923	6,283	6,562	6,761
10 Asia	52,978	70,784	89,187	91,161	91,790	94,137	93,559	95,244	94,799
11 Africa	2,412	4,123	2,149	1,792	1,849	1,649	1,474	1,337	1,823
12 Other countries[6]	485	829	1,212	1,186	1,242	833	1,149	1,600	2,599

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

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

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

Millions of dollars, end of period

Item	1978	1979	1980	1981			1982
				June	Sept.	Dec.	Mar p
1 Banks' own liabilities	2,406	1,918	3,748	3,031	2,878	3,740r	4,391
2 Banks' own claims[1]	3,671	2,419	4,206	3,699	4,078	5,173r	5,788
3 Deposits	1,795	994	2,507	2,050	2,409	3,403r	3,979
4 Other claims	1,876	1,425	1,699	1,649	1,669	1,770r	1,810
5 Claims of banks' domestic customers[2]	358	580	962	347	248	971r	944

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.

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

Millions of dollars, end of period

Holder and type of liability	1978	1979	1980	1981			1982			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. p
1 **All foreigners**	**166,842**	**187,521**	**205,297**	**199,272**	**209,024**	**242,533**	**250,432**	**253,583r**	**260,882**	**266,985**
2 Banks' own liabilities	78,661	117,196	124,791	124,454	133,308	162,433	170,972	178,882r	187,247	195,704
3 Demand deposits	19,218	23,303	23,462	19,072	21,127	19,677	18,334	17,808r	16,506	19,483
4 Time deposits[1]	12,427	13,623	15,076	17,647	18,101	29,381	31,161	36,273r	43,171	48,073
5 Other[2]	9,705	16,453	17,583	11,225	14,129	17,371	16,451	16,963	19,270	18,524
6 Own foreign offices[3]	37,311	63,817	68,670	76,511	79,951	96,003	105,026	107,838r	108,300	109,624
7 Banks' custody liabilities[4]	88,181	70,325	80,506	74,819	75,717	80,100	79,460	74,701	73,635	71,281
8 U.S. Treasury bills and certificates[5]	68,202	48,573	57,595	51,281	52,005	55,312	55,131	51,142r	50,152	47,353
9 Other negotiable and readily transferable instruments[6]	17,472	19,396	20,079	18,257	18,269	18,819	18,842	18,718r	18,907	19,250
10 Other	2,507	2,356	2,832	5,281	5,442	5,970	5,487	4,842	4,576	4,679
11 **Nonmonetary international and regional organizations[7]**	**2,607**	**2,356**	**2,344**	**1,981**	**2,317**	**2,721**	**2,148**	**2,091**	**2,049**	**2,033**
12 Banks' own liabilities	906	714	444	303	555	638	373	298	450	593
13 Demand deposits	330	260	146	185	388	262	130	135	209	149
14 Time deposits[1]	84	151	85	58	74	58	86	76	143	276
15 Other[2]	492	303	212	60	93	318	156	87	96	168
16 Banks' custody liabilities[4]	1,701	1,643	1,900	1,678	1,762	2,083	1,775	1,792	1,599	1,439
17 U.S. Treasury bills and certificates	201	102	254	184	142	541	217	277	109	142
18 Other negotiable and readily transferable Instruments[6]	1,499	1,538	1,646	1,494	1,621	1,542	1,558	1,515	1,490	1,297
19 Other	1	2	0	0	0	0	0	0	0	0
20 **Official institutions[8]**	**90,742**	**78,206**	**86,624**	**69,796**	**73,080**	**78,696**	**76,405**	**72,846**	**72,059**	**69,611**
21 Banks' own liabilities	12,165	18,292	17,826	11,869	14,214	16,672	14,626	14,919	15,286	16,602
22 Demand deposits	3,390	4,671	3,771	2,668	2,459	2,612	2,404	2,385	2,277	3,240
23 Time deposits[1]	2,560	3,050	3,612	1,692	1,910	4,192	3,684	4,236	4,866	5,344
24 Other[2]	6,215	10,571	10,443	7,509	9,846	9,868	8,538	8,297	8,143	8,017
25 Banks' custody liabilities[4]	78,577	59,914	68,798	57,927	58,866	62,024	61,778	57,927	56,773	53,009
26 U.S. Treasury bills and certificates[5]	67,415	47,666	56,243	48,867	49,644	52,389	52,306	48,174r	47,048	43,850
27 *Other negotiable and readily transferable* instruments[6]	10,992	12,196	12,501	9,013	9,171	9,587	9,445	9,717r	9,685	8,974
28 Other	170	52	54	46	51	47	27	37r	40	185
29 **Banks[9]**	**57,423**	**88,316**	**96,415**	**103,348**	**109,204**	**135,167**	**145,577**	**150,537r**	**157,615**	**162,484**
30 Banks' own liabilities	52,626	83,299	90,456	92,786	98,369	123,452	133,691	139,787r	146,413	149,746
31 Unaffiliated foreign banks	15,315	19,482	21,786	16,275	18,418	27,449	28,664	31,948	38,116	40,121
32 Demand deposits	11,257	13,285	14,188	11,346	12,908	11,614	10,893	10,444	9,267	11,219
33 Time deposits[1]	1,429	1,667	1,703	1,631	1,837	9,169	10,472	13,400	18,316	19,052
34 Other[2]	2,629	4,530	5,895	3,298	3,673	6,666	7,299	8,104	10,534	9,849
35 Own foreign offices[3]	37,311	63,817	68,670	76,511	79,951	96,003	105,026	107,838r	108,297	109,624
36 Banks' custody liabilities[4]	4,797	5,017	5,959	10,562	10,835	11,715	11,886	10,751	11,202	12,738
37 U.S. Treasury bills and certificates	300	422	623	1,574	1,584	1,683	1,853	1,876	2,213	2,592
38 Other negotiable and readily transferable instruments[6]	2,425	2,415	2,748	4,091	4,169	4,421	4,858	4,405	4,734	5,986
39 Other	2,072	2,179	2,588	4,897	5,082	5,611	5,176	4,470	4,255	4,160
40 **Other foreigners**	**16,070**	**18,642**	**19,914**	**24,148**	**24,424**	**25,949**	**26,303**	**28,109r**	**29,158**	**32,858**
41 Banks' own liabilities	12,964	14,891	16,065	19,496	20,170	21,671	22,282	23,878r	25,097	28,763
42 Demand deposits	4,242	5,087	5,356	4,873	5,373	5,189	4,906	4,843r	4,754	4,874
43 Time deposits	8,353	8,755	9,676	14,266	14,280	15,963	16,918	18,561r	19,846	23,401
44 Other[2]	368	1,048	1,033	358	517	520	458	474	497	489
45 Banks' custody liabilities[1]	3,106	3,751	3,849	4,652	4,253	4,278	4,021	4,231	4,061	4,095
46 U.S. Treasury bills and certificates	285	382	474	656	635	698	755	815	782	769
47 Other negotiable and readily transferable instruments[6]	2,557	3,247	3,185	3,659	3,309	3,268	2,981	3,081	2,998	2,992
48 Other	264	123	190	337	309	312	284	335	281	334
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	11,007	10,984	10,745	9,424	9,985	10,547	10,470	10,916	11,215	11,460

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."

3.17 Continued

Area and country	1978	1979	1980	1981			1982			
				Oct.	Nov.	Dec.▲	Jan.	Feb.	Mar.	Apr.[p]
1 **Total**	**166,842**	**187,521**	**205,297**	**199,272**	**209,024**	**242,533**	**250,432**	**253,583[r]**	**260,882**	**266,985**
2 **Foreign countries**	**164,235**	**185,164**	**202,953**	**197,292**	**206,708**	**239,812**	**248,284**	**251,492[r]**	**258,832**	**264,953**
3 Europe	85,172	90,952	90,897	77,652	82,302	90,622	89,708	91,549[r]	93,482	92,105
4 Austria	513	413	523	583	595	587	719	647	530	482
5 Belgium-Luxembourg	2,550	2,375	4,019	3,644	3,989	4,117	3,954	3,252	3,004	2,890
6 Denmark	1,946	1,092	497	232	306	333	512	524	514	613
7 Finland	346	398	455	187	196	296	157	292	273	229
8 France	9,214	10,433	12,125	7,125	7,385	8,486	8,078	8,042	7,792	6,737
9 Germany	17,283	12,935	9,973	6,555	7,211	7,665	6,953	6,668	7,695	6,589
10 Greece	826	635	670	496	428	463	469	535	472	457
11 Italy	7,739	7,782	7,572	5,677	5,656	7,290	7,104	6,495	4,300	3,693
12 Netherlands	2,402	2,337	2,441	2,173	2,351	2,773	2,808	2,926	3,111	2,881
13 Norway	1,271	1,267	1,344	1,449	1,642	1,457	1,245	1,129	1,518	1,666
14 Portugal	330	557	374	424	358	354	301	275	272	272
15 Spain	870	1,259	1,500	975	954	916	1,024	946	1,136	1,057
16 Sweden	3,121	2,005	1,737	1,609	1,508	1,545	1,274	1,480	1,358	1,373
17 Switzerland	18,225	17,954	16,689	17,114	18,937	18,878	18,927	18,590	19,379	20,350
18 Turkey	157	120	242	252	197	518	336	216	283	364
19 United Kingdom	14,272	24,700	22,680	23,985	24,258	28,230	30,581	33,773[r]	35,124	35,892
20 Yugoslavia	254	266	681	265	380	375	215	219	223	259
21 Other Western Europe[1]	3,440	4,070	6,939	4,472	5,394	5,798	4,710	5,204	6,036	5,910
22 U.S.S.R.	82	52	68	42	72	49	69	52	44	37
23 Other Eastern Europe[2]	330	302	370	396	486	493	271	284	418	356
24 Canada	6,969	7,379	10,031	8,934	10,091	10,256	11,572	10,999	10,780	12,317
25 Latin America and Caribbean	31,638	49,686	53,170	59,896	62,011	84,504	92,203	94,411[r]	97,850	104,338
26 Argentina	1,484	1,582	2,132	1,929	2,012	2,445	2,879	2,897	3,036	2,736
27 Bahamas	6,752	15,255	16,381	21,325	23,625	34,380	43,522	43,589	44,649	46,336
28 Bermuda	428	430	670	721	624	765	680	855	1,113	1,165
29 Brazil	1,125	1,005	1,216	1,265	1,285	1,548	1,608	1,803	1,339	1,462
30 British West Indies	5,974	11,138	12,766	10,472	9,524	17,692	17,868	18,783	18,774	19,446
31 Chile	398	468	460	538	505	664	771	815	951	992
32 Colombia	1,756	2,617	3,077	2,759	2,776	2,993	2,861	2,924	2,654	2,639
33 Cuba	13	13	6	6	7	9	7	10	7	6
34 Ecuador	322	425	371	403	516	434	355	370	513	491
35 Guatemala[3]	416	414	367	419	444	479	485	519	590	569
36 Jamaica[3]	52	76	97	147	96	87	120	100	129	133
37 Mexico	3,467	4,185	4,547	5,902	6,047	7,163	6,668	7,246	7,578	8,518
38 Netherlands Antilles	308	499	413	2,771	2,896	3,073	3,042	3,135	3,434	3,488
39 Panama	2,967	4,483	4,718	4,599	4,904	4,852	3,478	3,338	4,190	4,208
40 Peru	363	383	403	379	473	694	594	531	532	620
41 Uruguay	231	202	254	249	266	367	481	478[r]	323	410
42 Venezuela	3,821	4,192	3,170	4,044	3,971	4,245	4,557	4,575[r]	5,113	8,062
43 Other Latin America and Caribbean	1,760	2,318	2,123	1,969	2,041	2,612	2,227	2,443	2,924	3,056
44 Asia	36,492	33,005	42,420	46,851	48,632	49,810	50,658	50,290	52,547	50,338
China										
45 Mainland	67	49	49	85	200	158	183	215	257	331
46 Taiwan	502	1,393	1,662	2,189	2,147	2,082	2,227	2,253	2,213	2,292
47 Hong Kong	1,256	1,672	2,548	4,158	4,090	3,950	3,946	4,302	4,190	4,593
48 India	790	527	416	433	514	385	512	414	435	544
49 Indonesia	449	504	730	1,269	985	640	1,230	1,241	1,127	837
50 Israel	688	707	883	418	475	589	546	507	449	539
51 Japan	21,927	8,907	16,281	20,204	19,988	20,559	20,051	20,664	21,901	18,948
52 Korea	795	993	1,528	1,291	1,322	2,013	2,146	2,162	2,138	2,700
53 Philippines	644	795	919	691	736	876	757	739	671	692
54 Thailand	427	277	464	274	409	534	369	494	340	517
55 Middle-East oil-exporting countries[4]	7,534	15,300	14,453	12,196	13,603	13,172	13,623	13,564	14,799	14,343
56 Other Asia	1,414	1,879	2,487	3,643	4,163	4,852	5,068	3,735	4,028	4,004
57 Africa	2,886	3,239	5,187	2,535	2,381	3,201	3,065	2,814	2,398	3,111
58 Egypt	404	475	485	343	328	360	571	339	297	410
59 Morocco	32	33	33	28	37	32	36	35	36	52
60 South Africa	168	184	288	282	202	420	252	368	330	308
61 Zaire	43	110	57	44	56	134	33	40	69	41
62 Oil-exporting countries[5]	1,525	1,635	3,540	1,165	830	1,395	1,207	1,112	627	1,144
63 Other Africa	715	804	783	672	929	860	966	920	1,039	1,156
64 Other countries	1,076	904	1,247	1,423	1,291	1,419	1,078	1,430	1,775	2,744
65 Australia	838	684	950	1,212	1,065	1,223	853	1,204	1,550	2,543
66 All other	239	220	297	211	226	196	225	226	225	201
67 Nonmonetary international and regional organizations	2,607	2,356	2,344	1,981	2,317	2,721	2,148	2,091	2,049	2,033
68 International	1,485	1,238	1,157	945	1,128	1,661	1,072	1,082	1,081	1,259
69 Latin American regional	808	806	890	724	797	710	17	706	634	450
70 Other regional[6]	314	313	296	312	391	350	1,059	303	335	323

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."

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

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

Millions of dollars, end of period

Area and country	1978	1979	1980	1981 Oct.	1981 Nov.	1981 Dec ▲	1982 Jan	1982 Feb	1982 Mar.	1982 Apr.p
1 **Total**	**115,545**	**133,943**	**172,592**	**197,584**	**208,754**	**250,136**	**255,456**	**264,239r**	**276,123**	**288,127**
2 **Foreign countries**	**115,488**	**133,906**	**172,514**	**197,540**	**208,713**	**250,080**	**255,405**	**264,192r**	**276,066**	**288,084**
3 Europe	24,201	28,388	32,108	34,678	39,637	48,711	51,584	53,089r	56,862	59,399
4 Austria	140	284	236	138	179	127	198	172	130	244
5 Belgium-Luxembourg	1,200	1,339	1,621	1,761	2,025	2,832	2,788	3,259	3,778	3,885
6 Denmark	254	147	127	187	208	186	226	253	285	266
7 Finland	305	202	460	397	528	549	555	573	574	522
8 France	3,735	3,322	2,958	2,563	3,261	4,069	4,682	4,928r	5,572	5,037
9 Germany	845	1,179	948	841	979	936	1,084	874	1,123	1,469
10 Greece	164	154	256	235	255	333	378	321r	325	282
11 Italy	1,523	1,631	3,364	4,322	4,559	5,186	5,461	5,604r	5,270	5,109
12 Netherlands	677	514	575	567	570	685	729	808	956	750
13 Norway	299	276	227	230	281	384	384	437	447	465
14 Portugal	171	330	331	353	390	529	584	666	770	816
15 Spain	1,120	1,051	993	1,627	1,693	2,100	2,171	2,505	2,622	2,499
16 Sweden	537	542	783	871	1,339	1,206	1,329	1,504	1,550	1,452
17 Switzerland	1,283	1,165	1,446	1,475	1,963	2,211	1,845	2,001r	1,707	1,571
18 Turkey	300	149	145	153	144	421	464	522	496	529
19 United Kingdom	10,147	13,795	14,917	16,047	18,204	23,431	24,986	25,152r	27,784	30,823
20 Yugoslavia	363	611	853	954	1,016	1,224	1,213	1,243	1,200	1,240
21 Other Western Europe[1]	122	175	179	148	197	209	235	192	308	282
22 U.S.S.R.	360	268	281	203	248	367	455	262	218	417
23 Other Eastern Europe[2]	657	1,254	1,410	1,605	1,596	1,725	1,816	1,813r	1,750	1,762
24 Canada	5,152	4,143	4,810	7,456	7,079	9,041	9,478	9,830r	10,913	11,822
25 Latin America and Caribbean	57,565	67,993	92,992	108,289	113,073	137,718	143,098	147,505r	152,196	158,662
26 Argentina	2,281	4,389	5,689	5,887	6,044	7,506	8,704	8,826	8,737	11,024
27 Bahamas	21,555	18,918	29,419	36,921	39,438	43,351	44,739	45,636r	47,468	47,660
28 Bermuda	184	496	218	335	255	326	481	449	420	575
29 Brazil	6,251	7,713	10,496	10,374	10,823	16,874	17,379	17,846r	18,723	19,589
30 British West Indies	9,694	9,818	15,663	17,262	17,890	21,579	21,021	21,949r	22,922	22,348
31 Chile	970	1,441	1,951	2,567	2,643	3,682	4,169	4,370	4,449	4,737
32 Colombia	1,012	1,614	1,752	1,529	1,598	2,018	2,112	2,067	1,996	2,157
33 Cuba	0	4	3	4	3	3	7	9	3	137
34 Ecuador	705	1,025	1,190	1,282	1,328	1,531	1,723	1,752	1,827	1,961
35 Guatemala[3]	94	134	137	127	123	124	119	119	106	118
36 Jamaica[3]	40	47	36	40	45	62	177	115	165	159
37 Mexico	5,479	9,099	12,595	17,153	18,505	22,358	23,098	24,238r	25,174	26,363
38 Netherlands Antilles	273	248	821	933	951	1,068	950	1,131	909	896
39 Panama	3,098	6,041	4,974	5,798	5,655	6,719	6,918	7,272r	7,312	8,015
40 Peru	918	652	890	796	705	1,213	1,432	1,432	1,513	1,653
41 Uruguay	52	105	137	166	148	157	267	240	230	319
42 Venezuela	3,474	4,657	5,438	5,273	5,129	7,046	7,307	7,704	7,997	8,646
43 Other Latin America and Caribbean	1,485	1,593	1,583	1,843	1,790	2,102	2,494	2,349r	2,245	2,306
44 Asia	25,362	30,730	39,078	43,263	45,008	49,690	45,960	48,165	50,093	51,968
China										
45 Mainland	4	35	195	148	199	107	85	65r	84	112
46 Taiwan	1,499	1,821	2,469	2,349	2,262	2,461	2,643	2,215	2,300	2,268
47 Hong Kong	1,479	1,804	2,247	3,786	3,923	4,115	4,091	4,287	5,440	5,084
48 India	54	92	142	176	179	134	148	188	212	196
49 Indonesia	143	131	245	267	329	346	325	330	356	308
50 Israel	888	990	1,172	1,200	1,325	1,561	1,318	1,467	1,239	1,164
51 Japan	12,646	16,911	21,361	22,790	23,785	26,682	24,109	26,081	25,996	27,379
52 Korea	2,282	3,793	5,697	6,632	6,733	7,311	6,567	6,272	6,549	6,984
53 Philippines	680	737	989	1,448	1,621	1,817	1,766	1,989	2,270	2,294
54 Thailand	758	933	876	559	546	564	527	559	513	566
55 Middle East oil-exporting countries[4]	3,125	1,548	1,432	1,381	1,569	1,597	1,613	1,981r	1,997	2,397
56 Other Asia	1,804	1,934	2,252	2,526	2,537	2,996	2,767	2,730	3,138	3,213
57 Africa	2,221	1,797	2,377	2,796	2,803	3,546	3,822	4,019	4,222	4,420
58 Egypt	107	114	151	147	137	238	259	293	327	347
59 Morocco	82	103	223	269	243	284	273	273	294	312
60 South Africa	860	445	370	848	904	1,011	948	1,249	1,417	1,344
61 Zaire	164	144	94	102	100	112	98	93	89	101
62 Oil-exporting countries[5]	452	391	805	534	531	657	786	593	636	727
63 Other	556	600	734	896	888	1,244	1,458	1,518	1,459	1,589
64 Other countries	988	855	1,150	1,059	1,114	1,374	1,463	1,583	1,780	1,812
65 Australia	877	673	859	962	989	1,197	1,280	1,385	1,504	1,569
66 All other	111	182	290	97	125	177	183	198	276	243
67 Nonmonetary international and regional organizations[6]	56	36	78	43	40	56	51	47	57	43

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.

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

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

Millions of dollars, end of period

Type of claim	1978	1979	1980	1981			1982			
				Oct.	Nov.	Dec.▲	Jan	Feb.	Mar.	Apr.p
1 **Total**	**126,787**	**154,030**	**198,698**	....	....	**287,389r**	....	....	**319,266**	....
2 Banks' own claims on foreigners	115,545	133,943	172,592	197,584	208,754	250,136	255,456	264,239r	276,123	288,127
3 Foreign public borrowers	10,346	15,937	20,882	25,436	26,397	30,930	33,325	33,311r	33,474	34,767
4 Own foreign offices[1]	41,605	47,428	65,084	78,988	84,651	96,607	96,268	96,821r	101,428	105,407
5 Unaffiliated foreign banks	40,483	40,927	50,168	55,711	58,477	73,462	75,951	82,403r	87,000	91,734
6 Deposits	5,428	6,274	8,254	13,148	13,637	21,992	23,485	25,683r	28,818	29,109
7 Other	35,054	34,654	41,914	42,563	44,840	51,470	52,466	56,720r	58,183	62,625
8 All other foreigners	23,111	29,650	36,459	37,449	39,228	49,137	49,912	51,704r	54,221	56,219
9 Claims of banks' domestic customers[2]	11,243	20,088	26,106	....	....	37,253r	....	....	43,143	....
10 Deposits	480	955	885	....	....	1,378r	....	....	1,512	....
11 Negotiable and readily transferable instruments[3]	5,396	13,100	15,574	....	....	25,752r	....	....	32,328	....
12 *Outstanding collections and other claims*[4]	5,366	6,032	9,648	....	....	10,123	....	....	9,303	....
13 MEMO: Customer liability on acceptances	15,030	18,021	22,714	....	....	29,565r	....	....	30,273	....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	13,668	22,253	24,249	40,000	41,628r	39,221r	42,092r	43,768r	40,781p	n.a.

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

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

3. Principally negotiable time certificates of deposit and bankers acceptances.

4. Data for March 1978 *and for period before 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.

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

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

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

Millions of dollars, end of period

Maturity; by borrower and area	1978	1979	1980	1981			1982
	Dec.	Dec.	Dec.	June	Sept	Dec.▲	Mar.p
1 **Total**	**73,635**	**86,181**	**106,748**	**117,445**	**122,257**	**153,355**	**174,697**
By borrower							
2 Maturity of 1 year or less[1]	58,345	65,152	82,555	91,982	94,722	115,433	132,886
3 Foreign public borrowers	4,633	7,233	9,974	11,733	12,955	15,073	16,579
4 All other foreigners	53,712	57,919	72,581	80,248	81,767	100,359	116,307
5 Maturity of over 1 year[1]	15,289	21,030	24,193	25,463	27,535	37,922	41,811
6 Foreign public borrowers	5,395	8,371	10,152	11,022	12,410	15,573	17,054
7 All other foreigners	9,894	12,659	14,041	14,441	15,125	22,349	24,757
By area							
Maturity of 1 year or less[1]							
8 Europe	15,169	15,235	18,715	21,095	22,898	27,702	34,061
9 Canada	2,670	1,777	2,723	3,319	3,906	4,557	5,628
10 Latin America and Caribbean	20,895	24,928	32,034	33,514	35,524	48,286	58,493
11 Asia	17,545	21,641	26,686	31,489	29,296	31,463	30,595
12 Africa	1,496	1,077	1,757	1,768	2,324	2,501	2,886
13 All other[2]	569	493	640	797	774	923	1,224
Maturity of over 1 year[1]							
14 Europe	3,142	4,160	5,118	6,307	6,424	8,093	8,478
15 Canada	1,426	1,317	1,448	1,317	1,347	1,754	1,863
16 Latin America and Caribbean	8,464	12,814	15,075	15,448	17,478	25,031	27,849
17 Asia	1,407	1,911	1,865	1,680	1,565	1,886	2,214
18 Africa	637	655	507	551	548	897	1,093
19 All other[2]	214	173	179	159	172	261	315

1. Remaining time to maturity.

2. Includes nonmonetary international and regional organizations.

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

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

Billions of dollars, end of period

Area or country	1978[2]	1979	1980				1981				1982
			Mar.	June	Sept.	Dec.	Mar.	June	Sept.[r]	Dec.[r]	Mar.[p]
1 **Total**	**266.2**	**303.9**	**308.5**	**328.8**	**339.3**	**352.0**	**370.6**	**382.5**	**399.4**	**411.3**	**408.5**
2 G-10 countries and Switzerland	124.7	138.4	141.3	154.2	158.8	162.1	167.9	168.2	172.0	173.2	170.3
3 Belgium-Luxembourg	9.0	11.1	10.8	13.1	13.6	13.0	13.5	13.8	14.1	13.2	13.0
4 France	12.2	11.7	12.0	14.1	13.9	14.1	14.5	14.7	16.0	15.2	15.5
5 Germany	11.3	12.2	11.4	12.7	12.9	12.1	13.2	12.1	12.7	12.8	12.4
6 Italy	6.7	6.4	6.2	6.9	7.2	8.2	7.7	8.4	8.6	9.7	8.8
7 Netherlands	4.4	4.8	4.3	4.5	4.4	4.4	4.6	4.1	3.7	4.0	4.0
8 Sweden	2.1	2.4	2.4	2.7	2.8	2.9	3.2	3.1	3.4	3.7	4.1
9 Switzerland	5.3	4.7	4.3	3.3	3.4	5.0	5.1	5.2	5.1	5.4	5.3
10 United Kingdom	47.3	56.4	57.6	64.4	66.7	67.4	68.2	67.0	68.7	69.0	68.5
11 Canada	6.0	6.3	6.9	7.2	7.7	8.4	8.8	10.8	11.7	10.8	11.1
12 Japan	20.6	22.4	25.4	25.5	26.1	26.5	29.1	28.9	28.0	29.3	27.6
13 Other developed countries	19.4	19.9	18.8	20.3	20.6	21.6	23.5	24.8	26.4	28.4	30.4
14 Austria	1.7	2.0	1.7	1.8	1.8	1.9	1.8	2.1	2.2	2.0	2.1
15 Denmark	2.0	2.2	2.1	2.2	2.2	2.3	2.4	2.3	2.5	2.4	2.5
16 Finland	1.2	1.2	1.1	1.3	1.2	1.4	1.4	1.3	1.4	1.7	1.6
17 Greece	2.3	2.4	2.4	2.5	2.6	2.8	2.7	3.0	2.9	2.7	2.8
18 Norway	2.1	2.3	2.4	2.4	2.4	2.6	2.8	2.8	3.0	3.1	3.2
19 Portugal	.6	.7	.6	.6	.7	.6	.6	.8	1.0	1.1	1.2
20 Spain	3.5	3.5	3.5	3.9	4.2	4.4	5.5	5.7	5.8	6.6	7.1
21 Turkey	1.5	1.4	1.4	1.4	1.3	1.5	1.5	1.4	1.5	1.4	1.5
22 Other Western Europe	1.3	1.4	1.4	1.6	1.7	1.7	1.8	1.8	1.9	2.1	2.2
23 South Africa	2.0	1.3	1.1	1.5	1.2	1.1	1.5	1.9	2.5	2.8	3.2
24 Australia	1.4	1.3	1.2	1.2	1.2	1.3	1.4	1.7	1.9	2.5	3.1
25 OPEC countries[3]	22.7	22.9	21.8	20.9	21.4	22.7	21.7	22.2	23.5	24.4	24.5
26 Ecuador	1.6	1.7	1.8	1.8	1.9	2.1	2.0	2.0	2.1	2.2	2.3
27 Venezuela	7.2	8.7	7.9	7.9	8.5	9.1	8.3	8.7	9.2	9.6	9.3
28 Indonesia	2.0	1.9	1.9	1.9	1.9	1.8	2.1	2.1	2.5	2.5	2.7
29 Middle East countries	9.5	8.0	7.8	6.9	6.7	6.9	6.7	6.8	7.1	7.6	8.1
30 African countries	2.5	2.6	2.5	2.5	2.4	2.8	2.6	2.6	2.6	2.5	2.1
31 Non-OPEC developing countries	52.6	63.0	63.7	67.7	73.0	77.4	81.9	84.7	90.0	95.9	94.2
Latin America											
32 Argentina	3.0	5.0	5.5	5.6	7.6	7.9	9.4	8.5	9.2	9.3	9.3
33 Brazil	14.9	15.2	15.0	15.3	15.8	16.2	16.8	17.3	17.6	19.0	18.9
34 Chile	1.6	2.5	2.5	2.7	3.2	3.7	4.0	4.8	5.5	5.8	5.6
35 Colombia	1.4	2.2	2.1	2.2	2.4	2.6	2.4	2.5	2.5	2.6	2.2
36 Mexico	10.8	12.0	12.1	13.6	14.4	15.9	17.0	18.2	20.0	21.5	21.8
37 Peru	1.7	1.5	1.3	1.4	1.5	1.8	1.8	1.7	1.8	2.0	1.8
38 Other Latin America	3.6	3.7	3.6	3.6	3.9	3.9	4.7	3.8	4.2	4.4	4.4
Asia											
China											
39 Mainland	.0	.1	.1	.1	.1	.2	.2	.2	.2	.2	.2
40 Taiwan	2.9	3.4	3.6	3.8	4.1	4.2	4.4	4.6	5.1	5.1	5.1
41 India	.2	.2	.2	.2	.2	.3	.3	.3	.3	.3	.5
42 Israel	1.0	1.3	.9	1.2	1.1	1.5	1.3	1.8	1.5	2.0	1.6
43 Korea (South)	3.9	5.4	6.4	7.1	7.3	7.1	7.7	8.8	8.6	9.4	8.5
44 Malaysia	.6	1.0	.8	1.1	1.1	1.1	1.2	1.4	1.4	1.7	1.7
45 Philippines	2.8	4.2	4.4	4.6	4.8	5.1	4.8	5.1	5.6	6.0	5.8
46 Thailand	1.2	1.5	1.4	1.5	1.5	1.6	1.6	1.5	1.4	1.5	1.3
47 Other Asia	.2	.5	.5	.5	.5	.6	.5	.7	.8	1.0	1.0
Africa											
48 Egypt	.4	.6	.7	.8	.6	.8	.8	.7	1.0	1.1	1.3
49 Morocco	.6	.6	.6	.5	.6	.7	.6	.5	.7	.7	.7
50 Zaire	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2
51 Other Africa[4]	1.4	1.7	1.8	1.9	2.1	2.1	2.2	2.1	2.2	2.3	2.3
52 Eastern Europe	6.9	7.3	7.3	7.2	7.3	7.4	7.7	7.7	7.7	7.7	7.1
53 U.S.S.R.	1.3	.7	.6	.5	.5	.4	.4	.5	.4	.6	.4
54 Yugoslavia	1.5	1.8	1.9	2.1	2.1	2.3	2.4	2.5	2.5	2.5	2.3
55 Other	4.1	4.8	4.9	4.5	4.7	4.6	4.8	4.8	4.7	4.7	4.4
56 Offshore banking centers	31.0	40.4	42.6	44.3	44.6	47.0	53.1	59.2	61.7	62.9	64.1
57 Bahamas	10.4	13.7	13.9	13.7	13.2	13.7	15.2	17.9	21.3	18.7	19.5
58 Bermuda	.7	.8	.6	.6	.6	.6	.7	.7	.8	.7	.6
59 Cayman Islands and other British West Indies	7.4	9.4	11.3	9.8	10.1	10.6	11.7	12.6	12.0	12.3	11.5
60 Netherlands Antilles	.8	1.2	.9	1.2	1.3	2.1	2.3	2.4	2.2	3.1	3.2
61 Panama[5]	3.0	4.3	4.9	5.6	5.6	5.4	6.5	6.9	6.7	7.5	6.8
62 Lebanon	.1	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2
63 Hong Kong	4.2	6.0	5.7	6.9	7.5	8.1	8.4	10.3	10.3	11.7	13.0
64 Singapore	3.9	4.5	4.7	5.9	5.6	5.9	7.3	8.1	8.0	8.6	9.3
65 Others[6]	.5	.4	.4	.4	.4	.3	.9	.3	.1	.1	.1
66 Miscellaneous and unallocated[7]	9.1	11.7	13.2	14.3	13.7	14.0	14.9	15.7	18.2	18.9	17.9

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. Excludes Liberia.

5. Includes Canal Zone beginning December 1979.

6. Foreign branch claims only.

7. Includes New Zealand, Liberia, and international and regional organizations

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

Millions of dollars, end of period

Type, and area or country	1978	1979	1980	1980	1981			
				Dec.	Mar.	June	Sept.	Dec.[p]
1 **Total**	**14,952**	**17,174**	**21,652**	**21,652**	**21,672**	**21,192**	**22,780**	**21,495**
2 Payable in dollars	11,523	14,100	17,944	17,944	18,145	17,944	19,772	18,046
3 Payable in foreign currencies[2]	3,429	3,075	3,709	3,709	3,528	3,247	3,009	3,449
By type								
4 Financial liabilities	6,368	7,485	11,135	11,135	11,506	11,414	12,426	11,073
5 Payable in dollars	3,853	5,215	8,363	8,363	8,873	9,082	10,227	8,649
6 Payable in foreign currencies	2,515	2,270	2,772	2,772	2,633	2,333	2,199	2,424
7 Commercial liabilities	8,584	9,690	10,517	10,517	10,166	9,777	10,355	10,422
8 Trade payables	4,001	4,421	4,708	4,708	4,758	4,377	4,351	4,598
9 Advance receipts and other liabilities	4,583	5,268	5,810	5,810	5,409	5,401	6,003	5,823
10 Payable in dollars	7,670	8,885	9,581	9,581	9,272	8,862	9,545	9,397
11 Payable in foreign currencies	914	805	936	936	895	915	810	1,025
By area or country								
Financial liabilities								
12 Europe	3,971	4,658	6,320	6,320	6,019	5,955	7,416	6,071
13 Belgium-Luxembourg	293	345	487	487	558	532	492	404
14 France	173	175	327	327	324	367	825	560
15 Germany	366	497	582	582	498	451	430	468
16 Netherlands	391	829	663	663	544	746	651	751
17 Switzerland	248	170	354	354	315	321	388	691
18 United Kingdom	2,167	2,463	3,772	3,772	3,668	3,422	4,478	3,082
19 Canada	247	532	964	964	1,096	978	977	935
20 Latin America and Caribbean	1,357	1,483	3,103	3,103	3,483	3,592	3,195	3,258
21 Bahamas	478	375	964	964	1,217	1,272	1,019	1,279
22 Bermuda	4	81	1	1	1	1	0	7
23 Brazil	10	18	23	23	19	20	20	22
24 British West Indies	194	514	1,452	1,452	1,458	1,534	1,363	1,200
25 Mexico	102	121	99	99	97	98	107	109
26 Venezuela	49	72	81	81	85	91	90	98
27 Asia	784	804	723	723	880	861	805	764
28 Japan	717	726	644	644	766	741	687	664
29 Middle East oil-exporting countries[3]	32	31	38	38	51	29	30	24
30 Africa	5	4	11	11	6	5	3	3
31 Oil-exporting countries[4]	2	1	1	1	1	0	1	0
32 All other[5]	5	4	15	15	23	24	29	43
Commercial liabilities								
33 Europe	3,047	3,636	4,197	4,197	3,801	3,892	3,955	3,752
34 Belgium-Luxembourg	97	137	90	90	83	72	78	71
35 France	321	467	582	582	547	558	575	573
36 Germany	523	545	679	679	640	617	590	551
37 Netherlands	246	227	219	219	246	225	238	221
38 Switzerland	302	310	493	493	385	375	563	415
39 United Kingdom	824	1,077	1,017	1,017	881	950	925	863
40 Canada	667	868	806	806	740	652	742	853
41 Latin America	997	1,323	1,244	1,244	1,287	1,149	1,087	985
42 Bahamas	25	69	8	8	1	4	3	2
43 Bermuda	97	32	73	73	111	72	113	67
44 Brazil	74	203	111	111	84	54	61	67
45 British West Indies	53	21	35	35	16	34	11	2
46 Mexico	106	257	326	326	421	319	345	293
47 Venezuela	303	301	307	307	253	290	273	276
48 Asia	2,927	2,902	3,001	3,001	3,071	2,787	3,221	3,466
49 Japan	448	494	802	802	810	867	775	943
50 Middle East oil-exporting countries[3]	1,518	1,014	890	890	955	837	881	909
51 Africa	743	728	814	814	828	676	757	702
52 Oil-exporting countries[4]	312	384	514	514	519	392	355	344
53 All other[5]	203	233	456	456	440	622	593	664

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.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1978	1979	1980	1980	1981			
				Dec.	Mar.	June	Sept	Dec.p
1 **Total**	**28,001**	**31,315**	**34,469**	**34,469**	**37,619**	**35,152**	**34,300**	**34,810**
2 Payable in dollars	24,998	28,122	31,543	31,543	34,613	32,245	31,332	31,744
3 Payable in foreign currencies[2]	3,003	3,193	2,926	2,926	3,007	2,907	2,968	3,066
By type								
4 Financial claims	16,644	18,443	19,844	19,844	22,175	20,027	19,394	20,018
5 Deposits	11,201	12,809	14,010	14,010	16,446	14,398	13,598	14,307
6 Payable in dollars	10,133	11,893	13,235	13,235	15,651	13,672	12,866	13,653
7 Payable in foreign currencies	1,068	916	775	775	795	725	732	654
8 Other financial claims	5,443	5,634	5,834	5,834	5,729	5,629	5,796	5,711
9 Payable in dollars	3,874	3,808	4,152	4,152	4,082	3,992	4,116	3,785
10 Payable in foreign currencies	1,569	1,826	1,683	1,683	1,646	1,638	1,679	1,926
11 Commercial claims	11,357	12,872	14,625	14,625	15,445	15,125	14,906	14,791
12 Trade receivables	10,798	12,178	13,906	13,906	14,644	14,295	14,047	13,880
13 Advance payments and other claims	559	694	720	720	801	830	859	912
14 Payable in dollars	10,991	12,422	14,157	14,157	14,879	14,581	14,349	14,305
15 Payable in foreign currencies	366	450	468	468	566	544	556	486
By area or country								
Financial claims								
16 Europe	5,225	6,167	6,098	6,098	6,054	5,114	4,798	4,558
17 Belgium-Luxembourg	48	32	195	195	170	174	26	43
18 France	178	177	337	337	411	377	348	325
19 Germany	510	409	230	230	213	139	320	244
20 Netherlands	103	53	32	32	42	34	68	47
21 Switzerland	98	73	59	59	90	96	66	118
22 United Kingdom	4,031	5,111	4,968	4,968	4,856	3,948	3,645	3,488
23 Canada	4,549	4,984	5,057	5,057	6,611	6,159	6,009	6,060
24 Latin America and Caribbean	5,714	6,290	7,709	7,709	8,568	7,891	7,607	8,259
25 Bahamas	3,001	2,765	3,448	3,448	3,957	3,240	3,239	3,812
26 Bermuda	80	30	135	135	13	33	15	18
27 Brazil	151	163	96	96	22	20	66	30
28 British West Indies	1,291	2,007	2,684	2,684	3,404	3,396	3,195	3,253
29 Mexico	162	157	208	208	168	162	271	298
30 Venezuela	157	143	137	137	131	143	143	146
31 Asia	920	706	710	710	691	609	642	923
32 Japan	305	199	177	177	191	99	109	363
33 Middle East oil-exporting countries[3]	18	16	20	20	17	19	29	37
34 Africa	181	253	238	238	214	216	222	168
35 Oil-exporting countries[4]	10	49	26	26	27	39	41	46
36 All other[5]	55	44	32	32	36	37	116	51
Commercial claims								
37 Europe	3,983	4,909	5,502	5,502	5,807	5,467	5,347	5,310
38 Belgium-Luxembourg	144	202	233	233	277	235	220	233
39 France	609	727	1,127	1,127	900	783	767	771
40 Germany	399	589	589	589	597	572	580	554
41 Netherlands	267	298	318	318	347	308	308	303
42 Switzerland	198	272	351	351	461	474	404	427
43 United Kingdom	824	901	928	928	1,190	1,067	1,032	964
44 Canada	1,094	849	896	896	1,034	991	1,011	965
45 Latin America and Caribbean	2,546	2,869	3,753	3,753	3,838	3,793	3,726	3,446
46 Bahamas	109	21	21	21	15	29	18	12
47 Bermuda	215	197	108	108	170	192	241	223
48 Brazil	628	645	861	861	799	823	726	668
49 British West Indies	9	16	34	34	15	34	13	12
50 Mexico	505	698	1,091	1,091	1,053	1,113	983	1,015
51 Venezuela	291	343	409	409	439	420	454	422
52 Asia	3,108	3,451	3,505	3,505	3,761	3,767	3,653	3,868
53 Japan	1,006	1,177	1,045	1,045	1,294	1,218	1,104	1,215
54 Middle East oil-exporting countries[3]	713	765	819	819	923	934	828	888
55 Africa	447	554	651	651	678	703	717	744
56 Oil-exporting countries[4]	136	133	151	151	143	137	154	151
57 All other[5]	178	240	318	318	327	404	451	458

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.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1980	1981	1982	1981			1982			
			Jan. Apr	Oct	Nov	Dec	Jan	Feb	Mar.	Apr.p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	40,293	40,582	9,578	2,839	2,689	2,940	2,016	2,524	2,679	2,359
2 Foreign sales	34,870	34,821	8,343	2,792	2,494	2,740	1,748	1,988	2,506	2,101
3 Net purchases, or sales (−)	**5,423**	**5,761**	**1,235**	**47**	**195**	**200**	**268**	**536**	**173**	**258**
4 Foreign countries	**5,405**	**5,737**	**1,217**	**53**	**207**	**199**	**263**	**537**	**164**	**252**
5 Europe	3,112	3,599	937	46	109	176	231	347	191	167
6 France	490	889	26	21	7	5	2	6	52	33
7 Germany	172	28	98	6	4	6	11	17	41	29
8 Netherlands	328	37	33	13	28	73	3	38	1	9
9 Switzerland	308	276	119	97	0	75	40	33	60	66
10 United Kingdom	2,523	2,210	910	86	96	171	169	317	248	176
11 Canada	887	783	143	47	7	8	45	20	−118	0
12 Latin America and Caribbean	148	30	52	7	54	36	13	31	19	53
13 Middle East[1]	1,206	1,140	333	164	46	24	51	137	84	61
14 Other Asia	16	284	17	117	7	74	40	−6	23	−40
15 Africa	1	7	2	0	1	0	0	1	3	0
16 Other countries	38	−46	23	2	3	1	1	6	6	12
17 Nonmonetary international and regional organizations	**18**	**24**	**18**	**−6**	**−12**	**0**	**5**	**−1**	**9**	**6**
BONDS[2]										
18 Foreign purchases	15,425	17,192	5,716	1,176	1,099	1,192	946	929	1,619	2,222
19 Foreign sales	9,964	12,152	4,670	1,203	1,303	1,038	778	930	1,481	1,481
20 Net purchases, or sales (−)	**5,461**	**5,039**	**1,046**	**−26**	**−204**	**153**	**168**	**−1**	**138**	**741**
21 Foreign countries	**5,526**	**4,973**	**991**	**−17**	**−212**	**157**	**154**	**10**	**144**	**682**
22 Europe	1,576	1,353	870	96	112	139	144	16	169	540
23 France	129	11	60	5	4	7	15	14	12	20
24 Germany	213	848	811	43	67	52	88	104	224	395
25 Netherlands	65	70	33	13	9	3	2	0	17	14
26 Switzerland	54	108	88	7	10	3	19	8	15	46
27 United Kingdom	1,257	178	−142	164	174	55	3	102	102	59
28 Canada	135	12	118	35	29	2	29	15	29	46
29 Latin America and Caribbean	185	132	22	12	4	22	17	11	26	8
30 Middle East[1]	3,499	3,465	−59	84	72	62	89	63	41	135
31 Other Asia	117	44	58	43	1	60	53	52	29	18
32 Africa	5	1	−19	0	1	0	0	0	6	13
33 Other countries	10	7	1	0	2	2	0	2	3	1
34 Nonmonetary international and regional organizations	**−65**	**66**	**55**	**−10**	**9**	**−4**	**14**	**−11**	**−6**	**59**
	Foreign securities									
35 Stocks, net purchases, or sales (−)	−2,141	5	170	30	70	82	159	44	31	64
36 Foreign purchases	7,888	9,199	2,103	588	625	699	521	507	692	382
37 Foreign sales	10,029	9,195	1,933	617	695	617	362	463	661	446
38 Bonds, net purchases, or sales (−)	1,001	5,177	−698	109	1,945	772	22	99r	−520	−57
39 Foreign purchases	17,084	17,796	7,538	1,553	2,297	1,980	1,222	1,514	2,549	2,254
40 Foreign sales	18,086	22,973	8,236	1,661	4,242	2,751	1,243	1,612r	3,069	2,312
41 Net purchases, or sales (−), of stocks and bonds	**−3,143**	**−5,172**	**−528**	**−139**	**−2,015**	**−689**	**138**	**−55r**	**−489**	**−122**
42 Foreign countries	**−4,019**	**−4,416**	**−567**	**−311**	**−1,426**	**31**	**109**	**−115r**	**−505**	**−56**
43 Europe	1,108	642	69	45	453	136	143	56r	109	127
44 Canada	−1,948	3,698	676	205	878	166	80	102	608	115
45 Latin America and Caribbean	81	170	432	50	6	2	67	67	96	202
46 Asia	−1,147	287	366	113	148	49	2	20	115	−229
47 Africa	24	53	37	1	1	6	15	−1	5	17
48 Other countries	79	94	10	0	57	8	4	3	17	0
49 Nonmonetary international and regional organizations	**876**	**−756**	**39**	**173**	**−588**	**−720**	**28**	**60**	**16**	**−66**

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1980	1981	1982 Jan.–Apr.	1981 Oct.	1981 Nov.	1981 Dec.	1982 Jan.	1982 Feb.	1982 Mar.	1982 Apr.p
	Holdings (end of period)[1]									
1 **Estimated total[2]**	**57,549**	**70,201**	...	**68,482**	**70,370**	**70,201**	**71,487**	**73,800**	**75,793r**	**77,264**
2 Foreign countries[2]	52,961	64,530		64,061	65,893	64,530	65,850	68,273r	70,251r	71,926
3 Europe[2]	24,468	23,976		24,531	24,952	23,976	24,373	25,332	26,085r	26,398
4 Belgium-Luxembourg	77	543	...	384	329	543	614	363	539r	709
5 Germany[2]	12,327	11,861	...	13,029	13,226	11,861	11,898	12,845	13,055	13,231
6 Netherlands	1,884	1,955	...	1,784	1,889	1,955	1,998	2,038	2,052	2,139
7 Sweden	595	643		661	645	643	644	635	697	667
8 Switzerland[2]	1,485	846		861	833	846	904	984	1,025r	1,157
9 United Kingdom	7,323	6,709	.	6,446	6,693	6,709	6,800	6,931	7,037	6,737
10 Other Western Europe	777	1,419		1,367	1,337	1,419	1,514	1,535	1,680	1,757
11 Eastern Europe	0	0	..	0	0	0	0	0	0	0
12 Canada	449	514	...	540	501	514	533	499r	458r	473
13 Latin America and Caribbean	999	736	...	788	761	736	721	728	760	886
14 Venezuela	292	286	...	289	306	286	286	286	286	306
15 Other Latin America and Caribbean	285	319	...	317	289	319	321	337	370	383
16 Netherlands Antilles	421	131	...	182	165	131	113	104	103	196
17 Asia	26,112	38,671	...	37,052	38,638	38,671	39,700	41,310	42,531	43,750
18 Japan	9,479	10,780		10,094	10,732	10,780	10,844	11,022	11,203	11,381
19 Africa	919	631	...	1,141	1,037	631	519	400	401	403
20 All other	14	2	...	8	3	2	3	5	17	17
21 Nonmonetary international and regional organizations	4,588	5,671		4,421	4,477	5,671	5,637	5,527r	5,542	5,338
22 International	4,548	5,637	...	4,419	4,462	5,637	5,603	5,493	5,529	5,278
23 Latin American regional	36	1		1	1	1	1	4	4	4
	Transactions (net purchases, or sales (–) during period)									
24 **Total[2]**	**6,066**	**12,652**	**7,063**	**1,480**	**1,888**	**–169**	**1,286**	**2,313r**	**1,994r**	**1,470**
25 Foreign countries[2]	6,906	11,568	7,397	1,698	1,832	1,363	1,320	2,423r	1,978r	1,676
26 Official institutions	3,865	11,694	5,321	1,632	1,997	787	841	2,343	1,311	827
27 Other foreign[2]	3,040	127	2,074	65	165	576	478	80r	667	849
28 Nonmonetary international and regional organizations	843	1,085	332	217	57	1,194	33	110	16	205
MEMO: Oil-exporting countries										
29 Middle East[3]	7,672	11,156	3,768	1,442	1,250	17	1,019	1,373	470	906
30 Africa[4]	327	289	229	0	102	407	112	119	0	2

1. Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.
2. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Apr. 30, 1982: Percent	Rate on Apr. 30, 1982: Month effective	Country	Rate on Apr. 30, 1982: Percent	Rate on Apr. 30, 1982: Month effective	Country	Rate on Apr. 30, 1982: Percent	Rate on Apr. 30, 1982: Month effective
Argentina	147.95	May 1982	France[1]	16.0	Apr. 1982	Sweden	10.0	Mar. 1982
Austria	6.75	Mar. 1980	Germany, Fed. Rep. of	7.5	May 1980	Switzerland	5.5	Mar. 1982
Belgium	14.0	Apr. 1982	Italy	19.0	Mar. 1981	United Kingdom[2]	...	...
Brazil	49.0	Mar. 1981	Japan	5.5	Dec. 1981	Venezuela	14.0	Aug. 1981
Canada	15.43	May 1982	Netherlands	8.0	Mar. 1982			
Denmark	11.00	Oct. 1980	Norway	9.0	Nov. 1979			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.
2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1979	1980	1981	1981		1982				
				Nov	Dec	Jan.	Feb.	Mar.	Apr.	May
1 Eurodollars	11.96	14.00	16.79	13 33	13.24	14.29	15.75	14.90	15.20	14.53
2 United Kingdom	13.60	16.59	13 86	15 03	15.31	15.14	14.47	13.53	13.69	13.31
3 Canada	11.91	13 12	18.84	16 53	15.97	15.01	15.25	15.67	15.74	15.46
4 Germany	6.64	9.45	12.05	11.05	10.72	10.43	10.22	9.84	9.30	9.12
5 Switzerland	2.04	5.79	9.15	9.88	9 76	8 53	8.29	6.37	4.96	3.80
6 Netherlands	9.33	10.60	11.52	11.70	11.03	10.49	10.06	8 90	8.20	8.62
7 France	9.44	12.18	15.28	15.35	15.30	15.07	14.58	15.21	16.36	16.17
8 Italy	11.85	17.50	19 98	21.12	21.24	21.38	21.34	20 63	20.62	20.59
9 Belgium	10.48	14.06	15.28	15.28	15.48	15.09	14.89	14.02	14.95	15.00
10 Japan	6.10	11.45	7.58	7.15	6.75	6.41	6.38	6 43	6.57	6.80

NOTE. Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan, Gensaki rate.

3.28 FOREIGN EXCHANGE RATES

Currency units per dollar

Country/currency	1979	1980	1981	1981	1982				
				Dec.	Jan.	Feb.	Mar.	Apr.	May
1 Argentina/peso	n.a.	n.a.	n.a.	7417 10	9910.00	10256.00	10795.65	11761.36	13942.50
2 Australia/dollar[1]	111.77	111.57	114.57	113.39	111.41	108.50	106.03	105 15	105.94
3 Austria/schilling	13.387	12.945	15.948	15.852	16.066	16.587	16.711	16.853	16.274
4 Belgium/franc	29.342	29.237	37.194	38.296	39.027	41.144	44.379	45.292	43.666
5 Brazil/cruzeiro	n.a.	n a.	92 374	121.98	130 14	137.97	144.07	151.03	159.08
6 Canada/dollar	1.1603	1.1693	1.1990	1.1851	1.1926	1.2140	1.2205	1.2252	1.2336
7 Chile/peso	n.a.	n.a	n a.	39 100	39.100	39 100	39.100	39.407	39.537
8 China, P.R./yuan	n.a.	n.a.	1.7031	1.7405	1.7713	1.8200	1.8429	1.8565	1.8123
9 Colombia/peso	n.a.	n.a.	n.a.	57.129	59.409	60.129	60.956	61.057	62.365
10 Denmark/krone	5.2622	5.6345	7.1350	7.3210	7.4977	7.7950	8.0396	8.1591	7.8444
11 Finland/markka	3.8886	3.7206	4.3128	4.3666	4.4033	4.5058	4.5663	4.6097	4.5045
12 France/franc	4.2566	4.2250	5 4396	5 7141	5.8298	6.0176	6.1428	6.2457	6.0237
13 Germany/deutsche mark	1.8342	1.8175	2.2631	2.2579	2.2938	2 3660	2.3800	2.3970	2.3127
14 Greece/drachma	n.a	n.a	n.a.	57.231	58.811	60.973	61.769	63.541	62.892
15 Hong Kong/dollar	n.a.	n.a.	5.5678	5.6329	5.7959	5.8857	5.8298	5.8270	5.7549
16 India/rupee	8.1555	7.8866	8.6807	9 1304	9.1525	9.2144	9.2935	9.3923	9.2965
17 Indonesia/rupiah	n.a.	n.a.	n.a.	632.36	645.7	645.89	649.00	651.14	653.67
18 Iran/rial	n a	n.a.	79.324	79 000	n a.	n.a.	n.a.	n.a.	n.a.
19 Ireland/pound[1]	204.65	213.53	161 32	157 30	153.97	148.86	147.25	144.22	149.60
20 Israel/shekel	n a.	n.a	n.a.	15 363	16 163	17.488	18.766	20.014	21.184
21 Italy/lira	831.10	856.20	1138 60	1206 40	1228.20	1263.20	1293.29	1321.60	1283.37
22 Japan/yen	219.02	226.63	220 63	218 95	224.80	235.31	241.23	244.11	236.96
23 Malaysia/ringgit	2.1721	2.1767	2.3048	2 2477	2 2575	2.3662	2.3265	2.3395	2.2907
24 Mexico/peso	22.816	22.968	24 547	26 071	26.469	31.736	45.366	46.152	46.903
25 Netherlands/guilder	2 0072	1.9875	2 4998	2.4734	2.5145	2.5947	2.6186	2.6594	2.5709
26 New Zealand/dollar[1]	102.23	98.65	86.848	82.784	81.399	79.325	77.698	76.562	77.025
27 Norway/krone	5.0650	4 9381	5.7430	5.7801	5.8623	5.9697	6.0255	6.0820	5.9675
28 Peru/sol	n.a.	n.a.	n.a.	487.73	515.21	534.47	561.08	591.29	622.87
29 Philippines/peso	n.a.	n.a.	7.8113	8.1446	8.2132	8.2530	8.3291	8.3565	8.4016
30 Portugal/escudo	48.953	50.082	61.739	65.348	66.492	69.067	70.488	72.493	70.610
31 Singapore/dollar	n.a.	n.a	2.1053	2 0530	2.0607	2.1095	2.1213	2.1329	2.0886
32 South Africa/rand/[1]	118.72	122.72	114.77	103 10	103.46	101.95	97.930	94.880	94.010
33 South Korea/won	n.a.	n.a.	n.a.	694.68	705.17	710.05	714.67	721.03	724.35
34 Spain/peseta	67 158	71.758	92.396	96 97	98.357	100.70	104.53	106.15	102.987
35 Sri Lanka/rupee	15.570	16.167	18.967	20.259	20.228	20.611	20.700	20.575	20.365
36 Sweden/krona	4.2892	4 2309	5.0659	5 5411	5.6206	5.7579	5.8361	5.9144	5.7888
37 Switzerland/franc	1.6643	1.6772	1.9674	1.7859	1.8152	1.8909	1.8886	1.9624	1.9500
38 Thailand/baht	n.a.	n a.	21.731	23.050	23.050	23.050	23 050	23.025	23.000
39 United Kingdom/pound[1]	212.24	227.74	202.43	190.33	188.60	184.70	180.53	177.20	181.03
40 Venezuela/bolivar	n.a.	n a	4.2781	4 2958	4.2960	4.2960	4.3012	4 3023	4.2991
MEMO:									
United States/dollar[2]	88 09	87.39	102.94	105 21	106.96	110.36	112.45	114.07	111.03

1. Value in U.S. cents.

2. Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. March 1973 = 100 Weights are 1972–76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar. Revision" on 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
e	Estimated
p	Preliminary
r	Revised (Notation appears on column heading when more than half of figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
n.a.	Not available
n.e.c.	Not elsewhere classified
IPCs	Individuals, partnerships, and corporations
REITs	Real estate investment trusts
RPs	Repurchase agreements
SMSAs	Standard metropolitan statistical areas
......	Cell not applicable

General Information

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

SPECIAL TABLES

Published Irregularly, with Latest Bulletin Reference

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Securities Credit Transactions Handbook. $60.00 per year.
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Rates for subscribers outside the United States are as follows and include additional air mail costs:
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WELCOME TO THE FEDERAL RESERVE, December 1980.

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BELOW THE BOTTOM LINE: THE USE OF CONTINGENCIES AND COMMITMENTS BY COMMERCIAL BANKS, by Benjamin Wolkowitz and others. Jan. 1982. 186 pp.
MULTIBANK HOLDING COMPANIES: RECENT EVIDENCE ON COMPETITION AND PERFORMANCE IN BANKING MARKETS, by Timothy J. Curry and John T. Rose. Jan. 1982. 9 pp.
COSTS, SCALE, ECONOMIES, COMPETITION, AND PRODUCT MIX IN THE U.S. PAYMENTS MECHANISM, by David B. Humphrey. Apr. 1982. 18 pp.
DIVISIA MONETARY AGGREGATES: COMPILATION, DATA, AND HISTORICAL BEHAVIOR, by William A. Barnett and Paul A. Spindt. May 1982. 82 pp.
THE COMMUNITY REINVESTMENT ACT AND CREDIT ALLOCATION, by Glen Canner. June 1982. 8 pp.

REPRINTS

Most of the articles reprinted do not exceed 12 pages.

Revision of Bank Credit Series. 12/71.
Rates on Consumer Installment Loans. 9/73.
Industrial Electric Power Use. 1/76.
Revised Series for Member Bank Deposits and Aggregate Reserves. 4/76.
Federal Reserve Operations in Payment Mechanisms: A Summary. 6/76.
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.
Survey of Finance Companies, 1980. 5/81.
Bank Lending in Developing Countries. 9/81.
U.S. International Transactions in 1981. 4/82.

ANTICIPATED SCHEDULE OF RELEASE DATES FOR PERIODIC RELEASES—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM[1]

Weekly Releases	*Approximate release days*	*Date or period to which data refer*
Aggregate Reserves of Depository Institutions and Monetary Base. 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 and Foreign Related Banking Institutions H.8 (510) [1.25]	Wednesday	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 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) [1.26, 1.27, 1.28, 1.29, 1.291]	Friday	Wednesday, 1 week earlier
Weekly Report of Assets and Liabilities of International Banking Facilities. H.14 (518)	Monday	Wednesday, 2 weeks earlier
Weekly Summary of Banking and Credit Measures. H.9 (511)	Friday	Week ended previous Wednesday; and week ended Wednesday of previous week

Monthly Releases		
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) [1.30]	2nd Monday of month	Last Wednesday of previous month
Consumer Installment Credit. G.19 (421) [1.56, 1.57]	5th 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.

Monthly Releases—Continued	*Approximate release days*	*Date or period to which data refer*
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]	3rd working day of month	Previous month
Summary of Equity Security Transactions. G.16 (418)	Last week of month	Release date

Quarterly Releases

Agricultural Finance Databook E.15 (125)	End of March, June, September and December	January, April, July, and October
Automobile Credit. E.4 (114)	4th 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

Semiannual Releases

Domestic Offices, Commercial Bank Assets and Liabilities Consolidated Report of Condition. 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)	February, June and October	Release date

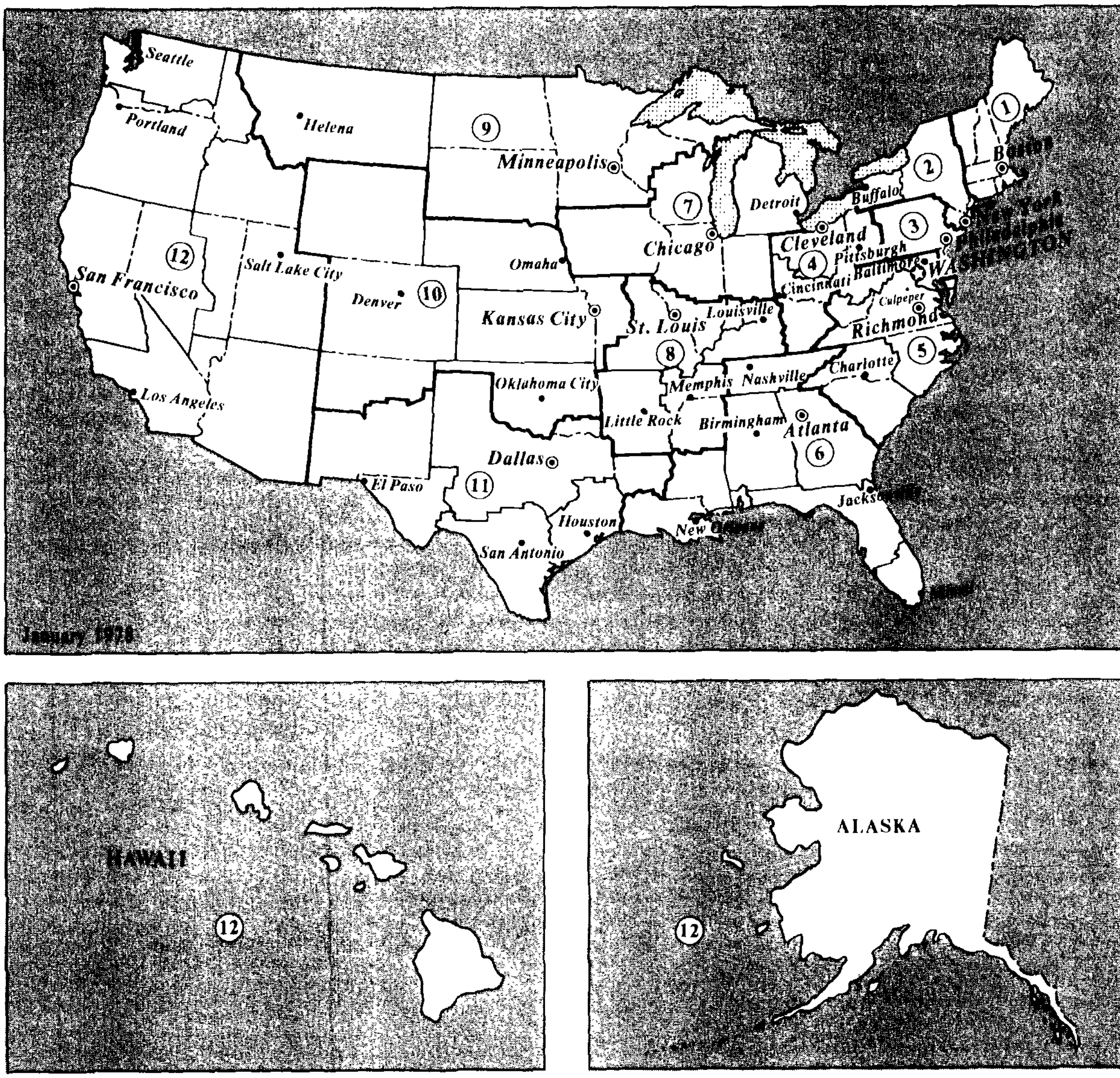
Annual Releases	*Approximate release days*	*Date or period to which data refer*
Aggregate Summaries of Annual Surveys of Security Credit Extension. C.2 (101)	February	End of previous June
Bank Holding Companies and Subsidiary Banks. C.6 (105) Domestic Foreign	March	Previous year
~~Insured Bank Income by Size of Bank. C.4 (103)~~	~~End of May~~	~~Previous year~~

Index to Statistical Tables

References are to pages A3 through A68 although the prefix "A" is omitted in this index

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