MARCH 1976

FEDERAL RESERVE BULLETIN

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FEDERAL RESERVE BULLETIN

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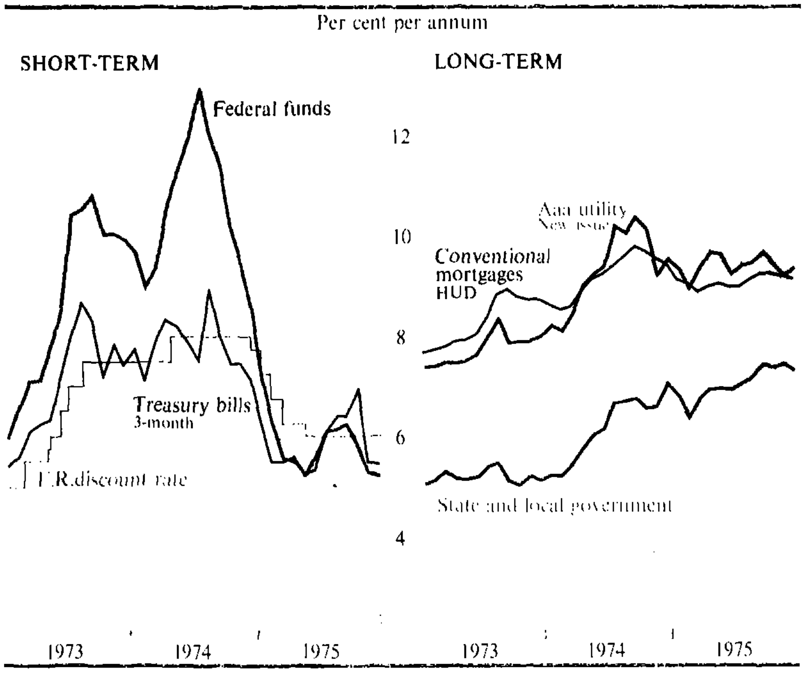
Financial Developments in the Fourth Quarter of 1975

This report, which was sent to the Joint Economic Committee of the U.S. Congress on February 23, 1976, highlights the important developments in financial markets during the fall and early winter.

The U.S. economy continued to strengthen during the fourth quarter of 1975, registering further increases in production, employment, and expenditures. Nevertheless, credit markets exhibited few of the pressures that frequently have developed at a similar stage in past cyclical recoveries. Private credit demands remained moderate, and most interest rates declined significantly during the final months of the year.

Growth in the major money stock measures slowed during the fourth quarter, while the rate of turnover of money balances rose sharply. The narrowly defined money stock (M_1) grew at a seasonally adjusted annual rate of only 2.5 per cent, reflecting an essentially flat demand deposit component. The sustained weakness of M_1 relative to income and interest rates, which has been apparent for a considerable period of time, suggests that there has been a fundamental change in the public's cash management practices—a change likely stimulated in part by the unprecedentedly high level of interest rates in 1974 and facilitated by numerous innovations that have greatly increased the liquidity of many interest-earning assets. The sluggish behavior of M_1 contributed importantly to the slower growth of the broader monetary aggregates—M_2 and M_3—during the fourth quarter, but the moderation of time and savings deposit inflows at banks

Interest rates



NOTES:

Monthly averages except for conventional mortgages (based on quotations for one day each month). Yields: U.S. Treasury bills, market yields on 3-month issues; prime commercial paper, dealer offering rates; Conventional mortgages, rates on first mortgages in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development; ~~Corporate~~ bonds, weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to Aaa ~~utility~~ basis; U.S. Govt. bonds, market yields adjusted to 20-year constant maturity by U.S. Treasury; State and local govt. bonds (20 issues, mixed quality) *Bond Buyer*.

and thrift institutions from the exceptional pace of earlier quarters also played a significant role.

The Federal Reserve acted during the fourth quarter to ensure continued growth of the monetary aggregates sufficient to support further solid gains in economic activity. System open market operations became more accommodative over the period. In addition, the Board enacted two reductions in reserve requirements that, besides encouraging a lengthening in the maturity of deposit liabilities, increased the lendable funds of member banks. The first of these regulatory actions, effective November 5, reduced from 3 to 1 per cent the reserve requirement on time deposits with original maturities of 4 years or more and lowered the total required reserves of member banks by about $360 million. The second action, announced in December and becoming effective in early January, cut from 3 to 2½ per cent the requirement on time deposits with original maturities between 180 days and 4 years and reduced required reserves by $320 million. In January, following the general decline in short-term market interest rates, the Board approved a reduction from 6 to 5½ per cent in the rate charged member banks on loans from the Federal Reserve.

Yields on most money market instruments declined 1 to 1½ percentage points between the end of September and the end of December and continued downward in January. By early January the Federal funds rate—the rate commercial banks pay to borrow immediately available funds overnight—had fallen to 4¾ per cent. The decline in market interest rates and the continued relative weakness of business loan demands led banks to reduce their prime lending rate in several steps—from 7¾ per cent in late October to 6¾ per cent in January.

Yields on long-term instruments also moved

TABLE 1

Changes in selected monetary aggregates

In per cent, seasonally adjusted annual rates

Item	1974	1975	1975			
			Q1	Q2	Q3	Q4
Member bank reserves:						
Total	8.5	−.3	−8.3	1.2	−2.2	8.3
Required reserves	8.7	−.4	−7.8	1.2	−2.1	7.2
Nonborrowed	10.7	1.4	1.3	−.2	4.2	11.6
Available to support private nonbank deposits[1]	8.9	−.9	−4.7	.5	2.6	3.2
Concepts of money calculated from:[2]						
Quarterly-average—						
M_1	5.0	4.4	.6	7.4	7.1	2.5
M_2	7.7	8.2	5.6	10.2	10.1	6.1
M_3	7.1	11.0	7.5	12.6	13.3	9.2
M_4	10.6	6.4	7.4	5.6	5.7	6.5
M_5	9.0	9.6	8.5	9.4	10.1	9.2
End-month of quarter—						
M_1	4.7	4.2	1.4	9.7	3.6	1.9
M_2	7.2	8.3	6.9	12.5	6.5	6.4
M_3	6.8	11.2	9.0	14.5	10.7	8.9
M_4	10.6	6.3	6.0	7.7	3.0	7.8
M_5	9.0	9.6	8.3	11.3	8.1	9.6
Time and saving deposits (quarterly average basis) at:						
Commercial banks (other than large CD's)	10.1	11.5	9.9	12.5	12.7	9.1
Nonbank thrift institutions[3]	6.1	15.8	10.7	16.5	18.4	14.2
Bank credit proxy, adjusted[4]	10.2	4.1	3.1	7.5	−1.6	7.3
MEMO (change in billions of dollars, seasonally adjusted):						
Large CD's	26.3	−6.9	...	5.7	−5.0	3.8
U.S. Govt. demand deposits at all member banks	−2.0	.8	−1.6	3.4	−1.0	...

NOTES:

[1] Total reserves less required reserves for U.S. Govt. and interbank deposits.

[2] M_1 is currency plus private demand deposits adjusted.

M_2 is M_1 plus bank time and savings deposits adjusted other than large CD's.

M_3 is M_2 plus deposits at mutual savings banks and savings and loan associations and credit union shares.

M_4 is M_2 plus large negotiable CD's.

M_5 is M_3 plus large negotiable CD's.

[3] Savings and loan associations, mutual savings banks, and credit unions.

[4] Total member bank deposits plus funds provided by Euro-dollar borrowings and bank-related commercial paper.

NOTE.—Changes are calculated from the average amounts outstanding in the last month of each quarter, except where noted. Quarterly-average calculations are based on changes in the average amounts outstanding for a quarter. Annual rates of growth in reserve measures have been adjusted for changes in reserve requirements.

down moderately during the final quarter of 1975 and into early 1976. The volume of new corporate offerings marketed in the fourth quarter was large by historical standards, but it was considerably below the exceptional level of the first half. Much of the long-term borrowing by businesses late in the year, as in earlier quarters, apparently was for the purpose of rebuilding liquidity and funding short-term debt. Although the volume of new issues by State and local governments was much smaller in the fourth quarter than in the third, municipal yields fell less than corporate rates because of continued uncertainties associated with the financial difficulties of New York City and New York State.

Savings and loan associations further expanded their commitments to make mortgage loans on residential properties in the fourth quarter, and the pace of mortgage debt formation rose further. Both primary and secondary mortgage yields declined gradually from October through year-end, lagging the downward movement of other market rates.

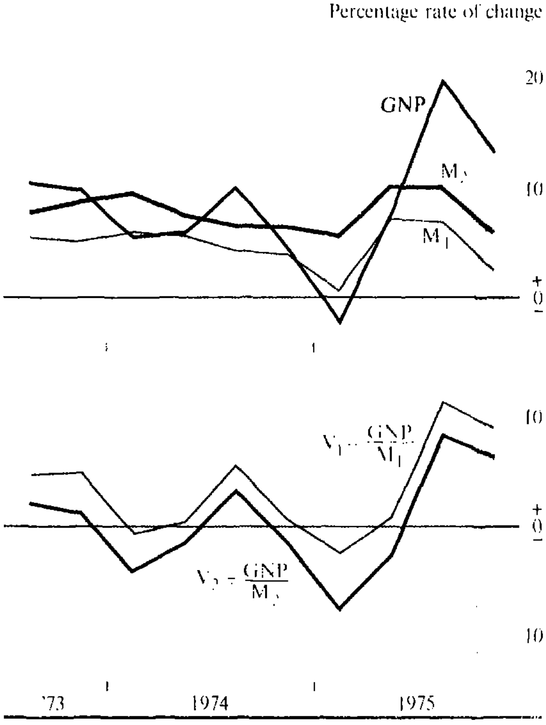
MONETARY AGGREGATES

Although fluctuating considerably from month to month, M_1 grew at only a modest pace on average during the fourth quarter. The two components of this aggregate grew at sharply different rates during the quarter: currency expanded at an 8.4 per cent annual rate, and demand deposits at a 0.4 per cent rate. The pattern of greater strength in the currency component prevailed throughout 1975, as M_1 increased 4.2 per cent over the year, with currency rising 8.7 per cent and demand deposits 2.7 per cent.

The income velocity of M_1—the ratio of gross national product (GNP) to M_1—advanced at about a 9 per cent annual rate during the fourth quarter, after recording a somewhat larger increase in the third quarter. Sizable increases in the rate of turnover of money balances normally occur as an economic recovery begins; however, the rise in velocity during the second half of 1975, which was much larger than the increases observed in earlier postwar cycles, is difficult to reconcile with historical relations among M_1 and other economic variables. Thus, this extraordinary increase in velocity adds to a growing body of evidence suggesting that there has been a decline in the public's desired holdings of money at given levels of GNP and interest rates.

Contributing to this apparent downward shift in the demand for M_1 have been improved techniques of cash management, introduced after interest rates reached unprecedented levels in the summer of 1974, and recent innovations and regulatory changes that facilitate the use of interest-bearing assets for payments purposes. These include the spread of overdraft privileges for personal checking accounts; the growth of negotiable order of withdrawal (NOW) accounts; the telephonic transfer of funds from savings accounts to checking accounts at commercial banks, first authorized in April 1975; and the payment of bills, without regard to type, through preauthorized nonnegotiable transfers from commercial bank savings accounts, first permitted in September 1975. Moreover, in

Changes in the income velocity of M_1 and M_2



Data are at seasonally adjusted annual rates of growth.

November commercial banks were authorized to accept savings deposits in amounts of up to $150,000 from businesses operated for profit, a service previously offered only by savings and loan associations and mutual savings banks. By early January, these business savings deposits at commercial banks were estimated to have been built up to a total of nearly $2 billion; much of this is believed to have represented transfers from business demand deposit accounts, thereby accounting for some of the weakness in the demand deposit component of M_1.

As noted earlier, the slackened pace of expansion in M_1 accounted for a large part of the moderation of growth in M_2 and M_3 during the fourth quarter. But reduced inflows of consumer-type time and savings deposits at banks and thrift institutions also contributed significantly to the slowdown. At commercial banks, passbook savings deposits paced the growth of time and savings deposits other than large certificates of deposit (CD's), partly because of the rapid growth of business savings accounts. If estimated values of business savings—which reached $2 billion in early January—were removed from the November and December levels, the growth rate in the fourth quarter of time and savings deposits other than large CD's would be roughly 8¼ per cent rather than the 9 per cent actually measured. In either case, growth in the fourth quarter was significantly slower than the 12½ per cent pace of the second and third quarters. At nonbank thrift institutions, time deposits accounted for a larger proportion of the inflows than did passbook savings, but the growth rate of total deposits in the final quarter of the year also was down from the pace of the preceding two quarters.

The decline in net inflows of time and savings deposits other than large CD's represented a return to more normal rates of growth for these deposits. The abnormally high rate of growth during the spring and summer was substantially bolstered, in all probability, by the large volume of tax refunds, tax rebates, and social security payments issued in the spring; some of the large third-quarter inflow can be attributed also to an extraordinary surge in personal income. In the fourth quarter the growth in personal income moderated, and there were no special payments to stimulate time and savings inflows.

The $4 billion increase in outstanding CD's during the fourth quarter, following run-offs throughout the first three quarters, appears to have been related mainly to two independent events involving sales by a small number of large banks. In late September and early October several large New York banks sold CD's with maturities extending beyond year-end in a move to provide for ample liquidity in the event of financial dislocations associated with the developing New York City crisis. After these sales were completed, outstanding CD's remained unchanged until early December when another sharp rise occurred, probably reflecting efforts by a few large banks to increase deposits for quarterly financial statement purposes. Subsequent developments support this conjecture, as large banks allowed nearly $3 billion in CD's to run off in early January.

BANK CREDIT AND COMMERCIAL PAPER

Demands for short-term business credit remained weak during the fourth quarter even as the economic recovery progressed. Business investment in fixed capital continued to lag the expansion in other sectors, and little progress was made in rebuilding inventories from depressed levels. In these circumstances rising cash flows and the proceeds of capital market issues provided ample funds with which to meet the current financing requirements of businesses.

After what appeared to be a firming in demand for business loans in October and November, the level of these loans dropped sharply during December. Part of this decline might be explained by the surge in retail sales in December that reduced retail inventories and created substantial inflows of funds to nonfinancial businesses. For the entire fourth quarter, business loans expanded moderately, after having remained unchanged in the third quarter. Most of this increase, however, represented

TABLE 2

Rate spreads and changes in business loans and commercial paper[1]

Period	Rate spread (basis points)[2]	Change			
		In billions of dollars[3]			Annual rate for total (per cent)
		Business loans[4]	Commercial paper[5]	Total	
1974—					
Q4	155	1.6	.5	2.1	4.3
1975—					
Q1	237	−1.6	.8	−.8	−1.6
Q2	170	−4.5	−1.5	−6.0	−12.1
Q3	121	...	−.3	−.3	−.6
Q4	192	1.1	−1.6	−.5	−1.0
Oct.	191	1.6	1.3	.3	1.9
Nov.	210	.9	−.8	.1	.6
Dec.	175	−1.4	.5	−.9	−5.6

[1] Incorporates revisions based on June 30, 1975; reports of condition.

[2] Prime rate less 30- to 59-day commercial paper rate.

[3] Seasonally adjusted.

[4] At all commercial banks based on last-Wednesday-of-month data; adjusted for outstanding amounts of loans sold to affiliates.

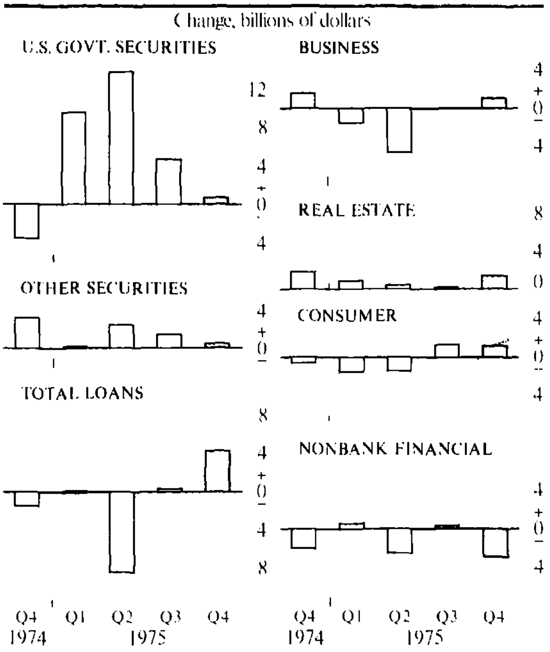
[5] Nonfinancial company paper measured from end-of-month to end-of-month.

acquisition of bankers acceptances by a few large banks; these increased holdings were largely liquidated in January.

Outstanding nonfinancial commercial paper declined during the quarter, despite a wider spread between the bank prime rate and the commercial paper rate. Because companies with high quality ratings have accounted for most of the borrowing in the commercial paper market since early 1974, the drop in volume suggests that such companies are generating substantial amounts of internal funds to meet current operating needs.

Total loans increased by $3.5 billion in the fourth quarter, the largest increase in more than a year. However, the growth of bank credit—total loans plus investments—moderated during the fourth quarter as commercial banks reduced their purchases of securities. The reduction in such purchases may have reflected declining yields on Treasury issues as well as the substantial additions made to portfolios earlier in 1975. The accumulation of Treasury securities during the year raised bank holdings of these securities relative to other assets, and by December the ratio of Treasury securities to total assets had reached 11.5 per cent, up from 7.8 per cent a year earlier. This rise, particularly when viewed in conjunction with the decline in the outstanding volume of CD's and related money market liabilities, is indicative of the significant improvement that occurred during 1975 in the liquidity positions of commercial banks.

Components of bank credit Major categories of bank loans



Seasonally adjusted. Total loans and business loans adjusted for transfers between banks and their holding companies, affiliates, subsidiaries, or foreign branches.

Incorporates revisions based on June 30, 1975, reports of condition.

NONBANK INTERMEDIARIES AND THE MORTGAGE MARKET

Deposit growth at nonbank thrift institutions slowed moderately in the fourth quarter, following very rapid growth in the preceding two quarters. For 1975 as a whole, the combined deposits of savings and loan associations and mutual savings banks expanded by approximately 16 per cent, the largest percentage gain for any year since 1972. As in other recent years, deposit growth at savings and loan associations was substantially more rapid than that at savings banks—17.7 per cent versus 11.2 per cent.

After declining for three consecutive quarters (on a seasonally adjusted basis), advances by Federal home loan banks to savings and loan associations increased slightly in the final quarter of 1975. Most of this borrowing occurred late in December when deposit growth was slowing and probably was associated with an increase in mortgage activity as home buyers completed purchase transactions before the end of the year in order to take advantage of the housing tax credit. Repayments of advances in January more than offset the December rise.

The expansion in net mortgage lending that had begun earlier in the year continued in the fourth quarter. Sales of existing homes again accounted for most of the increase in mortgage debt outstanding, although sales of new homes apparently picked up further late in the year. The concentration of lending in home mortgages throughout 1975 reflected hesitancy on the part of lending institutions and developers to undertake multiunit construction projects under prevailing conditions. But even though housing market participants remained cautious, in the fourth quarter there were indications that multiunit loans were beginning to expand somewhat. As earlier, savings and loan associations continued to provide the bulk of new mortgage funds, and by the end of 1975 their outstanding commitments to provide credit had risen to the highest level since mid-1973.

TABLE 3

Net change in mortgage debt outstanding

In billions of dollars, seasonally adjusted annual rates

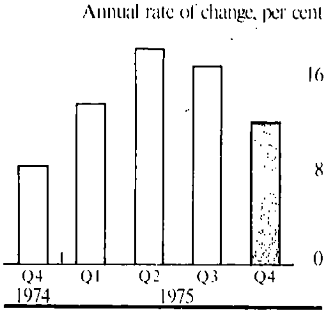
Change	1974	1975			
	Q4	Q1	Q2	Q3	Q4[e]
By type of debt:					
Total	39	34	52	56	61
Residential	23	21	37	41	47
Other[1]	16	13	15	15	14
At selected institutions:					
Commercial banks	7	2	2	2	6
Savings and loans	11	17	30	35	36
Mutual savings banks	(2)	2	2	3	3
Insurance companies	5	5	4	2	2
FNMA–GNMA	7	5	3	5	5
MEMO					
FHLB advances to S&L's	4	−6	−9	−3	2

[1] Includes commercial and other nonresidential as well as farm properties.

[2] Less than $500 million.

[e] Estimated.

Deposits of savings and loans and of mutual savings banks



Seasonally adjusted. Changes based on month-end figures.

With demands for mortgage credit remaining high, effective interest rates on home mortgages in the primary market declined only slightly over the fourth quarter; in early January the average interest rate on new commitments for conventional mortgages at savings and loan associations stood at 9.07 per cent, 15 basis points below the fourth quarter high registered in late October. In the secondary market, yield declines were larger. Rates on mortgage-backed securities guaranteed by the Government National Mortgage Association fell 70 basis points, from 9.10 per cent at the end of September to 8.40 at year-end. Adjusting to the decline in market yields, the ceiling rate on home loans insured by the Federal Housing Administration or guaranteed by the Veterans Administration was reduced by ¼ of a percentage point in early January to a level of 8¾ per cent.

SECURITIES MARKETS

Following a record volume of new issues in the first half of 1975, total corporate demands on long-term securities markets fell off substantially in the third and fourth quarters, though remaining high by historical standards. Most of the decline in the volume of long-term financing in the second half resulted from a drop in publicly offered bond issues of prime-rated industrial corporations, which had been the major issuers of long-term debt earlier in the year. With improved internal cash flows and strengthened liquidity positions, many of these firms withdrew from the market as the year progressed. Debt financing by lower-rated corporations, including public utilities, moderated to a lesser extent and these firms accounted for an increasing share of debt issues in the third and fourth quarters.

TABLE 4

Offerings of new security issues

In billions of dollars, seasonally adjusted annual rates

Type of issue	1974	1975			
	Q4	Q1	Q2	Q3	[e]Q4
Corporate securities: total	43	61	60	[r]44	43
Bonds	37	52	47	[r]35	31
Stocks	6	9	13	[r]9	12
Foreign securities	2	5	4	5	8
State and local govt. bonds	26	27	33	[r]36	26

[e] Estimated.
[r] Revised.

In addition to bond offerings by domestic corporations, unusually large volumes of publicly offered foreign bonds were sold in November and December—including a $750 million offering by the International Bank for Reconstruction and Development and several large issues by Canadian provinces. Canadian borrowers were attracted to the United States not only because of lower interest rates but also because U.S. markets are better able to absorb the large size of the financings undertaken.

Yields on corporate bonds began to decline early in the fourth quarter, primarily in response to the decline in money market rates. In mid-November, however, an unexpected build-up in the prospective calendar of new bond issues, and concern that credit market conditions might tighten, temporarily reversed the downtrend in rates. Subsequently, interest rates continued their downward course, and by mid-January the index of average yields on newly issued Aaa utility bonds stood at 8½ per cent, the lowest level since early 1974. Expectations of further slackening in the volume of future long-term debt issuance and the continued easing in money market conditions contributed to improved markets and still lower bond yields in January.

New stock offerings rose moderately in the fourth quarter, buoyed by a large offering of a major utility in October. For the year 1975, new equity issues totaled nearly $11 billion, compared with $6 billion in 1974, as share prices rose almost 50 per cent above their 1974 lows. Stock prices moved up only moderately during the fourth quarter, but in January a strong rally in the market lifted the Dow Jones industrial average to its highest level in more than 2 years.

In municipal markets, total offerings of State and local government bonds declined to a seasonally adjusted annual rate of $26 billion in the fourth quarter from a record $36 billion in the third. Bonds sold by the Municipal Assistance Corporation to provide financial aid to New York City accounted for approximately 13 and 16 per cent of the third- and fourth-quarter totals, respectively. Reflecting the easing in bond markets generally and the sharply reduced volume of new tax-exempt issues, the major indexes of municipal yields fell approximately 40 basis points from October through the end of December.

Although the immediate financing problems of New York City were alleviated by the Federal and State aid measures passed in December, investors continued to be concerned with the emerging problems of New York State and its agencies. Furthermore, the moratorium on payments of principal for New York City notes and the pending legislative revisions in the Federal bankruptcy laws raised questions about the security of debt issues of State and municipal governments generally. As a result, most of the decline in municipal rates that occurred in the fourth quarter was concentrated in highest rated issues, and the spread between high- and low-rated obligations remained at record levels.

The Federal Government sold more than $25 billion of debt in the fourth quarter, raising to $85 billion the total (net) borrowing by the Government in calendar year 1975. Despite the exceptionally heavy volume of debt issuance in the fourth quarter, the market for Treasury issues strengthened, and yields on short-term issues dropped more than 1¼ percentage points between October and January; long-term yields fell ½ of a point.

Demands for Government issues were enhanced during the fourth quarter by the apparent desire of many private investors to shift into assets free of default risk because of disturbances in municipal markets and the continued concerns about the quality of private credit. The Federal Reserve System also was a substantial buyer of Government securities during the period, acquiring more than $2.6 billion of Treasury and Federal agency obligations in the course of its open market operations. In the year 1975 the System increased its outright holdings of Treasury securities by more than $5.7 billion, as it purchased $6.2 billion (net) of notes and bonds and sold $0.5 billion (net) of bills; in addition, outright holdings of Federal agency issues increased by $1.6 billion. □

TABLE 5

Federal Government borrowing and cash balance

Quarterly totals, in billions of dollars, not seasonally adjusted

Item	1974	1975	1975			
			Q1	Q2	Q3	Q4
Treasury financing:						
Budget surplus, or deficit (−)	−10.9	−75.2	−18.0	−12.0	[r]−18.5	−26.6
Net cash borrowings, or repayments (−)	11.7	85.4	[r]19.5	16.6	[r]23.5	25.9
Other means of financing[1]	−5.3	−7.8	[r]−.8	−3.6	[r]−2.0	−1.4
Change in cash balance	−4.4	2.5	.7	1.0	[r]2.9	−2.1
Federally sponsored credit agencies, net cash borrowings[2]	16.6	2.6	.1	−.2	[r].9	[e]1.8
MEMO (net cash borrowings, seasonally adjusted annual rate):						
By Treasury	11.7	85.4	[r]67	[r]97	94	85
By Federally sponsored credit agencies	16.6	2.6	7	−3	−1	8

[1] Checks issued less checks paid, outlays of off-budget Federal agencies, accrued items, and other transactions.

[2] Includes debt of the Federal Home Loan Mortgage Corporation, Federal home loan banks, Federal land banks, Federal intermediate credit banks, banks for cooperatives, Federal National Mortgage Association (including discount notes and securities guaranteed by the Government National Mortgage Association), and Farm Credit Banks.

[e] Estimated.

[r] Revised.

Survey of Finance Companies, 1975

The Federal Reserve System at 5-year intervals surveys finance companies that supply specialized short- and intermediate-term financing to businesses and consumers. This article summarizes the results of the most recent survey, which covered about 3,400 companies.[1]

The purpose of the 1975 survey was to establish benchmark data for regularly published series on consumer and business credit and to generate information on the composition of loan portfolios of finance companies and their major sources of financing.[2] Whereas the survey allows some perspective regarding the development over time of the finance company industry, data are as of a single day—June 30—and, therefore, the results are subject to the large amount of variation typical of single-date samples.

The survey results are strongly influenced by general economic conditions just before the survey. For instance, the 1975 survey was taken toward the beginning of an economic recovery following a lengthy and severe economic recession that had depressed greatly the demands for both business and consumer credit. The mid-1970 survey fell in the middle of a much shorter and less severe economic downturn.

The effects of the recent recession may account for the slower rate of growth in receivables held by finance companies over the 1970–75 interval relative to the 1965–70 period. At the end of June 1975, total gross receivables outstanding at finance companies were 51 per cent larger than at mid-year 1970, whereas these receivables in the previous 5-year span had increased by 61 per cent.

The recent recession also may have contributed to the slower rate at which companies extended their activities into the newer consumer and business credit areas where finance companies had shown their most significant growth in the previous 5-year interval. In addition, general credit market conditions were probably a major factor in explaining the appreciably lower proportion of short-term debt in finance company balance sheets in mid-1975, relative to mid-1970. Since late 1974, finance companies had been issuing record amounts of long-term debt, rebuilding liquidity, and funding short-term borrowing incurred during the tight money period of 1973–74. In contrast, the 1970 survey—conducted at an earlier stage of the financing cycle—showed the industry with historically large amounts of short-term debt, which companies had used as a source of financing so as to avoid locking themselves into long-term debt at then prevailing high interest rates (see chart on following page).

DIVERSIFICATION OF FINANCE COMPANY ACTIVITIES

The 1975 survey indicated a slower but continuing trend of finance companies to move into

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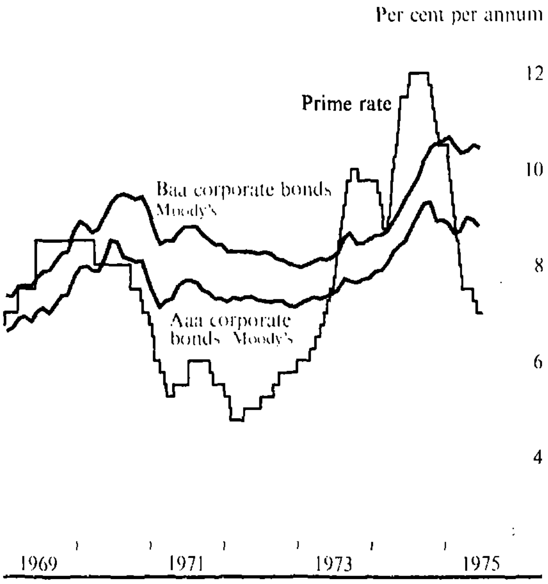
NOTE.—This report was written by Evelyn M. Hurley of the Board's Division of Research and Statistics. In particular, Erling Thoresen, Jean Davis, Edith Collis, and other members of the Divisions of Research and Statistics and Data Processing helped Mrs. Hurley to conduct the survey and prepare the report. The survey also was conducted with the cooperation and assistance of the Federal Reserve Banks and of industry trade associations.

[1] Previous Federal Reserve surveys of finance companies were made on June 30 of 1955, 1960, 1965, ~~and~~ 1970; articles describing these surveys were published in the Federal Reserve BULLETIN for April 1957, October 1961, April 1967, ~~and~~ November 1972, respectively.

[2] The monthly consumer and business credit statistics for finance companies regularly appearing in the Board statistical releases G.19 and G.20 will be revised back through July 1970 as soon as possible. Partial data from these revisions cannot be made available prior to release of complete historical series. An announcement will appear in both releases at the time the revised historical data become available.

Interest rates affecting finance companies' decisions on borrowing,
January 1969-June 1975



Prime rate is the predominant rate quoted by a majority of banks to large businesses. Directly placed finance company paper rate is monthly average of daily rates. Moody's corporate bonds are monthly averages of weekly figures.

areas such as financing of revolving credit, second mortgages, mobile homes, and leasing, and out of the financing of passenger cars. These diversification moves, on balance, have increased the relative importance of business credit at the expense of consumer credit.

Lending to business accounted for 46 per cent of gross finance company receivables in mid-1975, up from 40 per cent in 1970 (Table 1a). Of total business receivables, paper—both wholesale and retail—secured by durable goods remained the dominant type.[3] But wholesale paper, particularly that associated with automobile financing, declined considerably. Leasing, on the other hand, grew significantly in importance, as it had in the previous period. This continued growth may be the result of an effort by businesses to reduce their capital spending, to limit the expansion of balance sheet debt, and to gain special tax advantages.

As business credit increased in importance, there was a corresponding decrease in the share of consumer credit—from 56 per cent of total finance company receivables in 1970 to about 50 per cent in 1975 (Table 1a). This decline paralleled the over-all erosion of the position of finance companies in the consumer credit market. The finance company share of that market dropped from 33 per cent in 1970 to approximately 28 per cent in 1975, reflecting a continued increase in competition from other financial intermediaries—largely credit unions and commercial banks. In addition, this smaller market share may have resulted from finance company efforts to diversify out of consumer financing during a period when unemployment rose sharply and real personal income declined, in order to satisfy increased demands for types of business financing such as leasing that are particularly favored by firms during periods of rapidly rising inflation, high long-term interest rates, and declining profits.

Within the consumer finance area, personal loans remained the most important type of consumer receivable outstanding at finance companies, accounting for 39 per cent of the total consumer credit portfolio of these companies (Table 1b). Nonautomotive retail credit—including revolving credit, which has shown very rapid growth—was the second most important consumer receivable, displacing retail passenger car paper. The drop in automotive credit to third in relative importance was associated with a secular decline in the position of finance companies as lenders in the passenger car field as well as cyclically weak auto sales in 1974 and 1975. Mobile home financing increased slightly as a share of consumer receivables despite a recession in the housing market. Monthly statistics for consumer credit had shown rapid growth in such financing from mid-1970 through 1973, but little change in mobile home credit outstanding was evidenced from the end of 1973 to mid-1975.

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[3] Includes: transactions between manufacturers and dealers secured by passenger cars and commercial vehicles, mobile homes, passenger car trailers, motor homes, boats, airplanes, helicopters, business, industrial, and farm equipment; other wholesale operations not elsewhere classified; and retail credit arising from the sale (or purchase) of business, industrial, and farm equipment, and commercial vehicles (including fleet sales).

TABLE 1

Gross receivables at finance companies

Item	Amount (in billions of dollars)		Percentage change between surveys		Share of total (in per cent)	
	Mid-1970	Mid-1975	1965-70	1970-75	Mid-1970	Mid-1975
a. Gross receivables						
Consumer	31.8	42.8	42	35	56	50
Business	23.0	39.3	78	71	40	46
Other	2.3	3.9	1,107	69	4	4
Total	**57.1**	**86.0**	**61**	**51**	**100**	**100**
b. Consumer receivables						
Passenger cars	......	9.9	5	8	29	23
Mobile homes	......	3.5	108	49	7	8
Other consumer goods[1]	......	12.6	101	62	25	30
Revolving credit	......	5.8	n.a.	n.a.	n.a.	n.a.
Other[1]	......	6.9	n.a.	n.a.	n.a.	n.a.
Personal cash loans	......	16.7	42	35	39	39
Secured by second mortgages	......	1.9	n.a.	n.a.	n.a.	n.a.
Other	......	14.8	n.a.	n.a.	n.a.	n.a.
Total	......	**42.8**	**42**	**35**	**100**	**100**
c. Business receivables						
Wholesale	......	10.9	76	47	33	28
Retail	......	11.1	63	69	29	28
Leasing	......	8.1	352	112	17	21
Other	......	9.2	34	78	22	23
Commercial accounts receivable	......	3.4	41	134	6	8
Factored accounts	......	1.4	82	--5	6	4
Advances to factored clients	......	.2	n.a.	n.a.	n.a.	1
Miscellaneous	......	4.2	14	88	10	10
Total	......	**39.3**	**78**	**71**	**100**	**100**

[1] Includes home improvement loans not shown separately.
n.a. Not available

NOTE.--Figures may not add to totals due to rounding.

SOURCES OF FINANCING AT MID-1975

Finance companies traditionally operate on a relatively narrow capital base, relying primarily on borrowing as a source of funds. As in previous surveys, stockholders' equity represented about one-sixth of total finance company liabilities and capital in mid-1975 (Appendix Table 5).

The bulk of finance company debt is usually short term, matching the relatively short maturities on the asset side of the balance sheet. In mid-1975 short-term debt accounted for slightly more than half of total debt, about in line with the mix of short-term and long-term debt a decade earlier (Table 2 and Appendix Table 5). At mid-1970, though, short-term obligations constituted almost two-thirds of total debt, as finance companies were reluctant to borrow long term at the relatively high rates that prevailed during the 1969–70 credit "crunch."

Accordingly, the rate of growth in short-term debt of finance companies over the 5 years to mid-1975—almost three-fourths of which was in the form of commercial paper—was notably slower than in the previous 5-year period (Table 2).

Commercial paper—unsecured short-term promissory notes—has been the dominant short-term liability of finance companies since the 1960's. The greatest growth in commercial paper as a source of funds for finance companies came after the tight money period of 1966, when many companies entered the market for the first time as a means of hedging against the possibility of a curtailment in bank credit lines. By mid-1975, with heightened investor concern over the quality of paper, the number of companies reporting outstanding commercial paper had dropped to 128 from 138 at the time of the 1970 survey.

Because commercial paper is unsecured, only large, well-known firms can sell these notes readily in the open market. As a result, 67 firms, each reporting receivables of $100 million and over, accounted for 97 per cent of the finance company paper outstanding at the end of June 1975 (Table 3). The bulk of this paper—91 per cent in mid-1975—is sold directly by the issuing company to the lender, usually at a lower cost than that for bank credit. Selling directly, however, requires a company to set up and maintain a well-trained marketing department. Selling indirectly through dealers usually is the method used by issuers with only seasonal needs for funds or with a name not well enough known to sell without dealer contacts. In general, such paper carries a somewhat higher interest yield than paper placed directly, and in addition, the issuer always pays ⅛ of a percentage point to the dealer for his services.

TABLE 2

Finance company debt, mid-1975 survey

Type of debt	Debt outstanding (in billions of dollars)	Percentage change between surveys		Share of total debt (in per cent)	
		1965–70	1970–75	Mid-1970	Mid-1975
Long-term	29.7	27	81	36	45
Short-term[1]	36.6	101	24	64	55
Bank	7.9	24	20	14	12
Commercial paper	25.9	147	17	48	39
Directly placed	23.7	151	23	42	36
Dealer placed	2.2	125	-22	6	3
Total	**66.4**	**67**	**44**	**100**	**100**

[1] Includes short-term debt not elsewhere classified and not shown separately.

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

TABLE 3

Finance company survey respondents reporting commercial paper liabilities, midyears 1970 and 1975

Size of company (consumer and business loans outstanding, in thousands of dollars)	Number of companies			
	Issuing commercial paper		In size category	
	1970	1975	1970	1975
100,000 and over	54	67	58	88
25,000–99,999	44	34	77	102
5,000–24,999	26	19	112	204
2,500–4,999	14	7	128	162
1,000–2,499	...	1	271	338
500–999	...	...	424	415
250–499	...	...	511	563
100–249	...	...	554	641
Under 100	...	...	826	863
Total number	**138**	**128**	**2,961**	**3,376**

CONCENTRATION OF RECEIVABLES, DEBT, AND EQUITY

Although the number of finance companies in 1975 increased in all size classes over the number reported in 1970, the concentration of activity in the larger firms was not significantly altered (Appendix Table 6). In the latest survey, businesses with $25 million and over in receivables constituted only 6 per cent of the number of all finance companies; yet these firms held 94 per cent of the value of all consumer receivables and 97 per cent of the value of business receivables. In contrast, firms with less than $5 million in receivables made up 88 per cent of the number of all domestic finance companies, but these smaller companies held only 3 per cent of the value of all consumer receivables and 1 per cent of the value of business receivables.

In the most recent 5-year period, the larger companies—with receivables of $25 million and more—continued to move toward diversification of receivables portfolios. The smaller companies—with receivables of less than $5 million—remained highly concentrated in the consumer credit area, particularly in personal cash loans. What little business credit was held by the smaller firms tended to be in the older types of business credit such as factoring, rather than in fast-growing areas like leasing.

As for sources of funds, the larger companies sharply reduced short-term debt relative to total debt (Appendix Table 7). The smaller firms reported no change in the maturity distribution of their debt, possibly indicating that less well-known borrowers do not have ready accessibility to long-term capital markets. With a smaller degree of diversification and greater reliance on short-term financing, the smaller firms also remained less highly leveraged than their larger counterparts. The equity of the smaller companies stayed at almost one-third of their total liabilities and capital, whereas the equity of the larger companies remained below one-sixth.

TECHNICAL NOTE

The 1975 Survey of Finance Companies was designed to collect data on the major assets and liabilities of finance companies engaged in making short- and intermediate-term instalment loans to consumers and/or businesses. In the survey a finance company was defined as a company (excluding commercial banks, credit unions, mortgage banking firms, mutual savings banks, and savings and loan associations) in which the largest portion of its assets were in one or more of the following kinds of receivables:

1. Sales receivables—instalment paper arising from retail sales of passenger cars and mobile homes; from other consumer goods, such as general merchandise, apparel, furniture and household appliances, boats and planes, trailers not usable as homes, motorcycles, and motor scooters; and/or from outlays for home improvements not secured by real estate.
2. Personal cash loans to individuals and families—unsecured cash loans or cash loans secured by life insurance policies, automobiles already paid for, and other collateral.
3. Short- and intermediate-term business receivables—loans on commercial accounts receivable, inventory loans, factoring of commercial accounts receivable, leasing, retail instalment sales (or purchases) of commercial, industrial, and farm equipment and commercial vehicles, and wholesale financing of consumer and business goods.[1]

Finance companies were requested to report the consolidated recorded operations of their affiliated U.S. finance companies including the parent finance company and its domestic subsidiaries (whether wholly or partly owned) engaged in domestic consumer and/or business financing activities. Excluded from the consolidation were the operations of all domestic nonfinance company affiliates and subsidiaries and all foreign companies.[2] Finance company branches and subsidiary finance companies were asked only to give the parent finance company's name.

The mailing list for the 1975 survey was derived from various sources: the 1970 survey mailing list, trade association rosters, trade journals, newspapers, and information on new businesses from the Department of Health, Education and Welfare.

Pre-survey questionnaires were mailed to 8,425 names appearing on the mailing list. Companies that responded to the questionnaire with information that showed that they were out of business, not a finance company, or were a subsidiary of a finance company were removed from the list. Survey forms were mailed to the remaining 5,458 names, and a follow-up request was sent to companies whose response had not been received 2 months after the first mailing. Special efforts were made to obtain the reports of large companies, including virtually all companies with total receivables of $100 million or more.

The number of survey forms originally mailed and the major categories into which the responses fell are shown in the following table:

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[1] For a detailed description of these various types of short- and intermediate-term business receivables see "Business Financing by Business Finance Companies" in the Federal Reserve BULLETIN, October 1968.

[2] A domestic company was defined in the survey as one claiming domicile in one of the 50 States or the District of Columbia.

Forms	Number of companies	Percentage distribution of forms mailed
Total mailed:	**5,458**	**100.0**
Returned	2,818	51.6
Usable and in survey	1,846	33.8
Not usable	972	17.8
Not a finance company	(173)	(3.2)
Finance company subsidiary or branch of reporting company	(106)	(1.9)
Out of business	(293)	(5.4)
Postal return	(326)	(6.0)
Other	(74)	(1.4)
Not returned	2,640	48.4

In order to obtain estimates of assets and liabilities for the approximately 2,600 companies that did not return survey forms, a 20 per cent sample of nonrespondents was chosen. Of this sample 193 had returned pre-survey questionnaires with usable information about the size and nature of their business. A subsample of the remaining companies in the nonrespondent sample was sent to the 12 Federal Reserve Banks for a special follow-up using the pre-survey questionnaire. These procedures gave a distribution of nonrespondents as follows:

	Per cent
Within the scope of the survey	58.0
Not a finance company	6.4
Finance company subsidiary or branch of reporting company	6.1
Out of business	6.4
Could not be located	19.7
Refusal to answer	1.9
Nonresponse to all requests	1.5

Information about the approximate size of total receivables and the types of receivables held by the 58 per cent of nonresponding companies that were within the scope of the survey was used to weight the survey reports from responding companies to obtain the detailed assets and liabilities for all finance companies as shown in this report.

The heavy concentration of receivables in a few large companies makes the dollar aggregates reasonably accurate estimates of the amount and type of financing underwritten by the finance company industry. As is apparent, less confidence can be placed in the estimates of the number of companies in the smaller size classes and, in particular, in changes in these numbers from survey to survey.

APPENDIX TABLES

1. Assets and liabilities outstanding at finance companies by size of receivables, June 30, 1975

In millions of dollars

Balance sheet item	Total	Size of company (in thousands of dollars of short- and intermediate-term loans outstanding)								
		100,000 and over	25,000-99,999	5,000-24,999	2,500-4,999	1,000-2,499	500-999	250-499	100-249	Under 100
Assets										
Consumer receivables	42,760	37,378	2.712	1,253	419	416	268	181	93	40
Retail passenger car paper	9,938	9,351	290	91	53	70	49	19	9	5
Mobile homes	3,461	3,247	170	30	2	8	2	1	1	....
Revolving consumer instalment credit	5,752	5,304	395	36	....	14	....	1	1	....
Personal cash loans	16,715	13.122	1,661	895	312	279	188	147	78	33
Loans secured by second mortgages	1,946	1,064	449	264	62	58	25	18	5	1
Other	14,769	12.058	1,213	631	250	221	164	129	72	31
All other consumer instalment loans	6,895	6,354	196	200	52	45	28	13	5	2
Business receivables	39,286	35.930	2,148	904	147	99	25	20	9	4
Wholesale paper	10,945	10,297	532	60	24	19	8	4	1	1
Automobiles	7,713	7,632	58	13	4	2	3	1	....	....
Other consumer goods	1,273	1,031	193	26	10	6	3	2	1	....
All other	1,960	1,634	280	21	11	10	1	2	1	....
Retail paper	11,067	10,558	340	122	17	19	4	3	3	1
Commercial vehicles	5,012	4,966	5	22	6	7	3	1	1	....
Business, industrial, and farm equipment	6,055	5,592	335	100	11	11	1	2	2	1
Lease paper	8,065	7,575	293	151	31	7	5	1	2	....
Auto paper	2,343	2,297	23	18	....	3	1	....	....	....
Business, industrial, and farm equipment	3,950	3,562	243	106	30	4	2	1	1	....
All other	1,772	1,716	26	28	....	....	2	....	1	....
Other business credit	9,208	7,500	983	572	75	55	9	11	2	3
Loans on commercial accounts receivable	3,388	2.701	309	303	34	34	4	3	....	....
Factored accounts receivable	1,400	1.012	326	30	15	12	3	1	1	....
Advances to factored clients	203	138	47	....	17	....	....	1	....	....
All other receivables	4,218	3,649	301	239	9	9	2	6	1	2
Other receivables	3,948	3,748	127	37	9	15	4	4	3	1
Total receivables gross	85.994	77,056	4,986	2,195	575	530	298	205	105	45
Less: reserves for unearned income	7,684	6,831	448	230	60	53	31	21	8	2
Less: reserves for losses	1,623	1,411	100	58	18	17	8	7	3	1
Total receivables—net	76,687	68,814	4.438	1,906	496	460	259	177	94	42
Cash and non-interest-bearing deposits	2,667	2,224	267	98	25	23	12	9	5	5
Time deposits	202	111	37	11	6	18	10	4	2	2
Other loans and investments	6,745	6,220	296	81	26	78	14	13	9	7
U.S. government securities	63	36	21	2	....	2	1	....	....	....
Other marketable securities	683	611	36	4	4	18	4	2	3	1
All other loans and investments	5,998	5,573	239	75	22	58	9	11	6	6
All other assets	2,416	1,929	272	97	20	41	22	15	12	8
Total assets—net	**88,716**	**79,299**	**5,310**	**2,193**	**573**	**620**	**317**	**219**	**122**	**64**
Liabilities and capital										
Loans and notes payable to banks	8,617	5.829	1,485	783	207	175	73	35	22	7
Short-term	7,900	5.518	1,351	654	161	123	51	24	14	4
Long-term	718	312	134	130	46	52	22	11	7	3
Commercial paper	25,905	25,167	632	85	19	1	....	....	....	....
Directly placed	23,686	23.360	247	59	19	1	....	....	....	....
Dealer placed	2,218	1,807	385	26	....	....	....	....	....	....
Other short-term debt	2,815	1,842	446	351	57	51	30	22	9	7
Deposit liabilities and thrift certificates	1,480	834	413	119	45	44	16	6	2	....
Other current liabilities	3,113	2.497	463	67	19	25	24	11	4	2
Other long-term senior debt	23,404	22,614	530	119	30	59	21	19	8	3
Long-term subordinated debt	5,609	4,875	410	173	56	53	22	17	2	1
All other liabilities	3,823	3,600	60	71	30	29	13	9	9	3
Capital, surplus, and undivided profits	13,951	12,039	872	423	111	182	119	100	67	39
Total liabilities, capital, and surplus	**88,716**	**79,299**	**5,310**	**2,193**	**573**	**620**	**317**	**219**	**122**	**64**
Memoranda:										
Short-term debt	36,620	32,527	2,428	1,090	238	176	81	47	23	11
Long-term debt	29,730	27,801	1,074	422	131	165	64	47	18	8
Total debt	**66,350**	**60,328**	**3,503**	**1,512**	**369**	**340**	**146**	**94**	**41**	**19**
Number of companies	3,376	88	102	204	162	338	415	563	641	863

For notes to Appendix Tables 1–7, see p. 207.

2. Direct loans made and paper purchased by finance companies during June 1975

In millions of dollars

Type of loan	Total	Size of company (in thousands of dollars of short- and intermediate-term loans outstanding)								
		100,000 and over	25,000–99,999	5,000 24,999	2,500–4,999	1,000-2,499	500–999	250 499	100–249	Under 100
Consumer receivables	3,893	3,368	227	130	43	52	31	23	13	8
Retail passenger car paper	849	776	43	10	4	8	4	2	1	....
Mobile homes	70	66	2	1	....	....	....	....	....	....
Revolving consumer instalment credit	752	729	14	6	....	2	....	....	....	....
Personal cash loans	1,592	1,216	149	96	33	37	24	19	11	7
Loans secured by second mortgages	134	78	24	14	6	7	2	2	....	....
Other	1,458	1,138	124	82	27	29	22	17	11	7
All other consumer instalment loans	631	581	18	16	5	5	3	2	....	....
Business receivables	8,699	7,650	570	361	61	41	8	6	2	2
Wholesale paper	4,028	3,918	84	11	8	3	2	2	....	....
Automobiles	3,327	3,310	10	3	2	1	1	....	....	....
Other consumer goods	326	262	48	6	5	2	1	2	....	....
All other	375	345	26	2	1	1	....	....	....	....
Retail paper	820	794	15	6	2	2	1	....	....	....
Commercial vehicles	341	336	....	1	2	1	1	....	....	....
Business, industrial, and farm equipment	479	459	14	5	1	1	....	....	....	....
Lease paper	507	466	27	11	2	....	1	....	....	....
Auto paper	270	258	9	3	....	....	....	....	....	....
Business, industrial, and farm equipment	137	112	16	5	2	....	....	....	....	....
All other	101	95	2	4	....	....	....	....	....	....
Other business credit	3,343	2,472	445	333	48	35	4	3	1	1
Loans on commercial accounts receivable	1,849	1,455	147	200	18	25	2	1	....	....
Factored accounts receivable	983	707	229	20	14	9	2	1	1	....
Advances to factored clients	150	92	47	....	10	....	....	1	....	....
All other receivables	362	218	23	112	6	1	....	1	....	1
Other receivables	655	642	6	3	....	2	....	....	....	....
Total receivables gross	**13,248**	**11,660**	**803**	**493**	**103**	**95**	**39**	**29**	**15**	**10**

3. Consumer receivables outstanding at finance companies—midyears 1965, 1970, and 1975

Type of consumer receivables	Amount outstanding					Percentage of total consumer receivables	
	In millions of dollars			Percentage change			
	1965	1970	1975	1965–70	1970–75	1970	1975
Passenger cars	8,822	9,250	9,938	5	8	29	23
Mobile homes	1,120	2,327	3,461	108	49	7	8
Other consumer goods[1]	3,720	7,816	12,647	101	62	25	30
Personal cash loans	8,695	12,380	16,715	42	35	39	39
Total consumer credit	**22,357**	**31,773**	**42,760**	**42**	**35**	**100**	**100**

[1] Consists of revolving consumer instalment credit and all other retail consumer goods paper.

For notes to Appendix Tables 1–7, see p. 207.

4. Business receivables outstanding at finance companies—midyears 1965, 1970, and 1975

Type of business receivable	Amount outstanding					Percentage of total business receivables	
	In millions of dollars			Percentage change			
	1965	1970	1975	1965 70	1970-75	1970	1975
Wholesale paper	4,239	7,468	10,945	76	47	33	28
Automobiles	2,897	5,053	7,713	74	53	22	20
Other consumer goods	318	676	1,273	113	88	3	3
All other	1,024	1,739	1,960	70	13	8	5
Retail paper	4,033	6,563	11,067	63	69	29	28
Commercial vehicles	1,614	3,090	5,012	92	62	13	13
Business, industrial, and farm equipment	2,419	3,473	6,055	44	74	15	15
Lease paper	841	3,802	8,065	352	112	17	21
Auto paper	816	1,403	2,343	354	67	6	6
Business, industrial, and farm equipment		2,299	3,950		72	10	10
All other	25	99	1,772	296	1,690	*	5
Other business credit	3,817	5,166	9,208	34	78	22	23
Loans on commercial accounts receivable	1,031	1,449	3,388	41	134	6	9
Factored accounts receivable	607	1,472	1,400	82	9	6	4
Advances to factored clients	200		203				*
All other	1,978	2,245	4,218	14	88	10	11
Total business receivables	**12,931**	**22,999**	**39,286**	**78**	**71**	**100**	**100**

5. Liabilities and capital outstanding at finance companies—midyears 1965, 1970, and 1975

Type of liability	Amount outstanding					Percentage of total liabilities and capital		
	In millions of dollars			Percentage change				
	1965	1970	1975	1965-70	1970 75	1965	1970	1975
Bank loans	5,559	7,551	8,617	36	14	15	13	10
Short-term	5,290	6,581	7,900	24	20	15	11	9
Long-term	269	969	718	260	-26	1	2	1
Commercial paper	8,933	22,073	25,905	147	17	25	36	29
Directly placed	7,677	19,247	23,686	151	23	21	32	27
Dealer placed	1,256	2,826	2,218	125	-22	3	5	3
Other short-term notes	547	975	2,815	78	189	2	2	3
Deposit liabilities	707	639	1,480	-10	132	2	1	2
Other current liabilities	2,209	3,468	3,113	57	-10	6	6	4
Other long-term senior debt	9,159	11,154	23,404	22	110	25	18	26
Subordinated debentures	3,497	4,347	5,609	24	29	10	7	6
All other liabilities	220	424	3,823	93	802	1	1	4
Capital and surplus	5,443	9,947	13,951	83	40	15	16	16
Total liabilities and capital	**36,275**	**60,577**	**88,716**	**67**	**47**	**100**	**100**	**100**
MEMO:								
Short-term debt	14,741	29,629	36,620	101	24	41	49	41
Long-term debt	12,954	16,470	29,730	27	81	36	27	34
Total debt	**27,695**	**46,100**	**66,350**	**67**	**44**	**76**	**76**	**75**

For notes to Appendix Tables 1-7, see p. 207.

6. Receivables outstanding at finance companies—midyears 1970 and 1975

Type of receivable	Size of company (gross receivables outstanding, in millions of dollars)							
	All companies		25 and over		5 to 25		Under 5	
	1970	1975	1970	1975	1970	1975	1970	1975
	Amount outstanding, in millions of dollars							
Consumer receivables	31,773	42,760	29,726	40,090	856	1,253	1,191	1,417
Retail passenger car paper	9,250	9,938	8,892	9,641	124	91	234	205
Mobile homes	2,327	3,461	2,302	3,417	7	30	18	14
Other retail consumer goods paper	7,816	12,647	7,482	12,249	162	236	172	161
Revolving credit	n.a.	5,752	n.a.	5,699	n.a.	36	n.a.	16
Other	n.a.	6,895	n.a.	6,550	n.a.	200	n.a.	145
Personal cash loans	12,380	16,715	11,051	14,783	564	895	765	1,037
Secured by second mortgages	n.a.	1,946	n.a.	1,513	n.a.	264	n.a.	169
Other	n.a.	14,769	n.a.	13,271	n.a.	631	n.a.	867
Business receivables	22.999	39,286	22,429	38,078	305	904	265	304
Wholesale paper	7.468	10.945	7,391	10,829	45	60	32	57
Automobiles	5,053	7,713	5,036	7,690	5	13	12	10
Other consumer goods	676	1,273	650	1,224	19	26	7	22
All other	1,739	1,960	1,705	1,914	21	21	13	25
Retail paper	6,563	11,067	6,423	10,898	55	122	85	47
Commercial vehicles	3.090	5,012	3,048	4,971	12	22	30	18
Business, industrial, and farm equipment	3.473	6.055	3,373	5,927	43	100	57	28
Lease paper	3,802	8,065	3,706	7,868	73	151	23	46
Auto paper	1,403	2,343	1,393	2,320	5	18	5	4
Business, industrial, and farm equipment	2,299	3,950	2,240	3,805	43	106	16	38
All other	99	1,772	72	1,742	25	28	2	3
Other business credit	5,166	9,208	4,911	8,483	131	572	124	155
Loans on commercial accounts receivable	1,449	3,388	1,358	3,010	45	303	46	75
Factored accounts receivable	1.472	1,400	1,427	1,338	28	30	17	32
Advances to factored clients		203		185		*		18
All other	2,245	4,218	2,125	3,950	58	239	62	29
Other receivables	2.342	3,948	2,275	3,875	19	37	48	36
Total receivables - gross	**57,113**	**85,994**	**54,430**	**82,042**	**1,180**	**2,195**	**1,504**	**1,758**
Number of companies	2,961	3,376	135	190	112	204	2,714	2,982

7. Liabilities and capital outstanding at finance companies—midyears 1970 and 1975

Type of liability	Size of company (gross receivables outstanding, in millions of dollars)							
	All companies		25 and over		5 to 25		Under 5	
	1970	1975	1970	1975	1970	1975	1970	1975
	Amount outstanding, in millions of dollars							
Bank loans	7,551	8,617	6,538	7,314	542	783	471	519
Short-term	6.581	7,900	5,752	6,869	483	654	345	377
Long-term	969	718	786	446	59	130	124	141
Commercial paper	22,073	25,905	22,014	25,799	40	85	35	20
Directly placed	19,247	23,686	19,205	23,607	27	59	29	20
Dealer placed	2,826	2,218	2,809	2,192	14	26	5	*
Other short-term notes	975	2,815	800	2,288	45	351	114	176
Deposit liabilities	639	1,480	500	1,247	59	119	80	113
Other current liabilities	3,468	3.113	3,315	2,960	96	67	57	85
Other long-term senior debt	11,154	23.404	10,904	23,144	132	119	118	140
Subordinated debentures	4,347	5,609	4,095	5,285	122	173	130	151
All other liabilities	424	3,823	328	3,660	31	71	65	93
Capital and surplus	9,947	13,951	9,151	12,911	278	423	518	618
Total liabilities and surplus	**60,577**	**88,716**	**57,644**	**84,609**	**1,346**	**2,193**	**1,587**	**1,915**
Memo:								
Short-term debt	29,629	36,620	28,566	34,955	568	1,090	495	576
Long-term debt	16,470	29,730	15,785	28,875	313	422	373	433
Total debt	**46,099**	**66,350**	**44,351**	**63,831**	**881**	**1,512**	**868**	**1,009**

For notes to Appendix Tables 1-7, see p. 207.

NOTES TO APPENDIX TABLES

1. *Receivables* include direct loans and paper purchased from manufacturers, wholesalers, and retailers before deduction of reserves for unearned income and losses. They include bulk purchases of paper from vendors.

2. *Retail passenger car paper* consists of credit arising from retail sales of passenger cars to consumers. It excludes lease paper, fleet sales, personal cash loans secured by automobiles already paid for, and loans to finance the purchase of commercial vehicles and farm equipment.

3. *Mobile homes credit* consists of paper arising from the retail sale of complete dwelling units built on a chassis and capable at time of initial purchase of being towed over the highway by truck but not by car. It excludes paper secured by real estate, lease paper, and paper arising from retail sale of travel trailers.

4. *Revolving consumer instalment credit* consists of credit extended on a credit-line basis. A single contract governs multiple use of the account. Generally, credit extensions can be made at consumer discretion, provided that they do not cause the outstanding balance of the account to exceed a prearranged "credit limit."

5. *Personal cash loans to individuals and families* consist of secured and unsecured loans made for household, family, or other personal expenses. They include loans secured by insurance policies, automobiles already paid for, and other collateral. They exclude loans for business purposes and rediscounted loans.

6. *All other retail consumer goods loans* consist of credit arising from nonrevolving credit retail sales of consumer goods other than passenger cars and mobile homes. Such goods include general merchandise, apparel, furniture, household appliances, etc. Also included in this category are boats, airplanes, and helicopters for personal use as well as motor homes and recreational camping and travel trailers not designed as permanent housing. In addition, credit to finance alterations or improvements in existing single-family properties occupied by the borrower and not secured by real estate mortgages is included along with auto repair loans. Lease paper is excluded.

7. *Wholesale automotive paper* consists of credit arising from transactions between manufacturers and dealers secured by passenger cars and commercial vehicles. Paper secured by mobile homes, passenger car trailers, boats, airplanes, helicopters, and motor homes is excluded.

8. *Other wholesale consumer goods paper* consists of credit arising from wholesale loans on consumer goods other than automobiles. It includes wholesale paper on mobile homes and passenger car trailers, as well as on motor homes, boats, airplanes, and helicopters manufactured primarily for the consumer market. It excludes paper on business, industrial, and farm equipment.

9. *All other wholesale credit* includes wholesale financing of business, industrial, and farm equipment as well as credit arising from any wholesale operation not listed elsewhere.

10. *Retail commercial vehicle paper* consists of credit arising from retail sales of commercial land vehicles to business. It includes trucks, buses, taxicabs, truck-trailers, tractor-trailers, and other "on the road" vehicles for which motor vehicle licensing is required. It also includes fleet sales of passenger cars. It excludes paper on business, industrial, and farm equipment and lease paper.

11. *Retail paper on business, industrial, and farm equipment* consists of credit arising from the retail sale to business of (or from the purchase of) business, industrial, and farm equipment. It includes all "off-the-road" equipment for which motor vehicle licensing is not required. Loans may be secured by chattel mortgages or conditional sales contracts (purchase money security agreements) on the machinery or equipment. It excludes lease paper, loans on commercial vehicles, and loans secured by real estate mortgages.

12. *Lease paper on automobiles* includes paper arising from "finance" leases as well as "pure" or "operating" leases or "rentals" on passenger cars and commercial land vehicles.

13. *Lease paper on business, industrial, and farm equipment* includes paper arising from "finance" leases as well as "pure" or "operating" leases or "rentals" on income-producing business, industrial, and farm equipment.

14. *All other lease paper* consists of paper arising from the leasing of mobile homes and passenger car trailers, motor homes, boats, airplanes, and helicopters as well as from the leasing of furniture, appliances, television sets, etc. It includes any lease paper not elsewhere classified. It includes paper arising from "finance" leases as well as "pure" or "operating" leases or "rentals."

15. *Loans on commercial accounts receivable* consist of loans secured by commercial accounts receivable. This category excludes the balances withheld from customers pending collection of receivables.

16. *Factored commercial accounts receivable* include commercial accounts receivable purchased from factored clients less any amount due and payable to factored clients.

17. *Advances to factored clients* consist of secured and unsecured advances to factored clients, not included elsewhere, in excess of receivables purchased. All factored client balances that result in a debit position are included.

18. *All other business credit* includes import-export loans, dealer capital loans, small loans used primarily for business or farm purposes, multi-collateral loans, inventory loans, rediscounted receivables of other finance companies less balances withheld, and all other business loans not elsewhere classified. It excludes loans secured by real estate unless included as part of a multi-collateral loan.

19. *All other loans and investments* include the consolidated companies' investment in foreign subsidiaries and affiliates and in nonconsolidated domestic companies. Nonconsolidated subsidiary and affiliate company claims on the consolidated companies are netted against the consolidated companies' investment here. Also included are real estate first mortgage investments and any other loans and investments not elsewhere classified.

20. *All other assets* are shown at book value.

21. *Directly placed commercial paper* consists of negotiable promissory notes of large denominations sold directly to the investor and issued for not longer than 270 days. It includes short-term "master" notes.

22. *Dealer placed commercial paper* consists of negotiable promissory notes sold to or through commercial paper dealers and issued for not longer than 270 days, and for which interest rates are determined in the commercial paper market. It includes documented discount notes, i.e. commercial paper accompanied by an irrevocable letter of credit issued by a bank.

23. *Long-term senior debt not elsewhere classified* consists of unsubordinated long term loans, notes, certificates, negotiable paper, or other indebtedness not classified elsewhere, including that portion maturing in less than 1 year.

24. *Long-term subordinated debt* consists of debt subordinated to other debt by terms of indenture. It includes subordinated debt maturing in less than 1 year.

n.a. Not available.

*Less than 0.5 per cent or less than $500,000.

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

Treasury and Federal Reserve Foreign Exchange Operations

This 28th joint interim report reflects the Treasury–Federal Reserve policy of making available additional information on foreign exchange operations from time to time. The Federal Reserve Bank of New York acts as agent for both the Treasury and the Federal Open Market Committee of the Federal Reserve System in the conduct of foreign exchange operations.

This report was prepared by Alan R. Holmes, Manager, System Open Market Account, and Vice President in charge of the Foreign Function of the Federal Reserve Bank of New York, and by Scott E. Pardee, Deputy Manager for Foreign Operations of the System Open Market Account and a Vice President in the Foreign Function of the Federal Reserve Bank of New York. It covers the period ~~August 1975~~ through ~~January~~ 1976. Previous reports have been published in the March and September BULLETINS *of each year beginning with September 1962.*

Following the dollar's sharp recovery against the major European currencies early last summer, during which the Federal Reserve was able to repay in full its swap drawings arising out of operations in late 1974–early 1975, the exchange markets settled into better balance in August and early September. The dollar then came into renewed heavy demand in response to further favorable news on the U.S. economic recovery and to expectations that interest rates here would continue to firm ahead of interest rates in most other industrial countries, where recovery was lagging. By September 22–23, dollar rates against major European currencies had been bid up by some 4 to 5 per cent above end-of-July highs. In order to moderate the day-to-day rise, foreign central banks sold sizable amounts of dollars in their respective markets. The Federal Reserve took the opportunity to purchase moderate amounts of German marks, adding $59.3 million equivalent to balances in August–September, and to buy $6 million of Belgian francs to hold against the remaining swap indebtedness outstanding since 1971.

By then, however, the long-brewing controversy on how to resolve New York City's fiscal difficulties was beginning to weigh on market psychology toward the dollar. Moreover, in early October, U.S. interest rates turned down once again amidst scattered indications that the pace of the recovery might have slowed, while more favorable signs of a near-term pick-up of some European economies raised the prospect of a hardening of interest rates abroad. In this uncertain atmosphere, the dollar lost buoyancy and dollar rates dropped off sharply in sporadic

TABLE 1

Federal Reserve reciprocal currency arrangements

In millions of dollars

Institution	Amount of facility, Jan. 31, 1976
Austrian National Bank	250
National Bank of Belgium	1,000
Bank of Canada	2,000
National Bank of Denmark	250
Bank of England	3,000
Bank of France	2,000
German Federal Bank	2,000
Bank of Italy	3,000
Bank of Japan	2,000
Bank of Mexico	[1]360
Netherlands Banks	500
Bank of Norway	250
Bank of Sweden	300
Swiss National Bank	1,400
Bank for International Settlements:	
Swiss francs/dollars	600
Other authorized European currencies/dollars	1,250
Total	**[1]20,160**

[1] Increased by $180 million effective August 29, 1975.

TABLE 2

Federal Reserve System activity under its reciprocal swap lines

In millions of dollars equivalent

Transactions with	System commitments, Jan. 1, 1975	Drawings, or repayments ( )					System commitments, Jan. 31, 1976
		1975				1976	
		Q1	Q2	Q3	Q4	January	
National Bank of Belgium	261.8	16.7	13.1	...	[1] 54.0	...	252.9
		...	−29.8	...	−18.1	−44.7	
Bank of France	...	...	45.6	...	...	...	...
		...	−5.1	−40.5	...	...	
German Federal Bank	218.7	644.1	63.4	...	...	...	...
		25.0	−487.7	413.5	...	...	
Netherlands Bank	3.2	49.0	47.3	...	...	...	...
		...	−90.6	8.8	...	...	
Swiss National Bank	378.5	152.1	...	...	[2] 196.0	...	567.2
		...	−159.4	...	...	...	
Bank for International Settlements (Swiss francs)	600.0	...	...	...	...	...	600.0
Total	**1,462.2**	**861.9**	**169.4**	**...**	**250.0**	**...**	**1,420.1**
		25.0	**−772.7**	**−462.8**	**−18.1**	**−44.7**	

[1] Amount by which the dollar countervalue of the Federal Reserve's pre-August 1971 Belgian franc commitments, adjusted for the Belgian franc revaluation of 1971, was increased to reflect the two U.S. dollar devaluations of 1971 and 1973.

[2] Amount by which the dollar countervalue of the Federal Reserve's pre-August 1971 Swiss franc commitments was increased to take account of the two U.S. dollar devaluations of 1971 and 1973. This increase is reflected entirely in the System's position with the Swiss National Bank because of a transfer of Swiss franc commitments from the BIS to the Swiss National Bank sufficient to keep Federal Reserve commitments to the BIS within the $600 million swap facility.

NOTE. Discrepancies in totals are due to rounding.

bouts of selling pressure. In an effort to maintain order and resist the decline, several foreign central banks entered the market as buyers of dollars—on some days in sizable amounts. The New York market also turned unsettled on occasion in early October, and the Federal Reserve, operating on 4 days between October 1 through October 15, sold a total of $50.1 million equivalent of marks from balances. Thereafter, the dollar leveled off around 4 to 5 per cent below late-September highs against the major European currencies.

Over subsequent weeks, dollar exchange rates still fluctuated widely on a day-to-day basis. Although European central banks continued to buy dollars on balance when the dollar came under pressure in their markets, the New York market was generally quiet and there was no further need for the Federal Reserve to sell foreign currencies. In fact, as the elements of a compromise solution on New York City's finances gradually emerged, the dollar regained some of its earlier buoyancy and firmed by 1 to 2 per cent into early December. Thereafter, through the year-end the dollar traded fairly narrowly. The Federal Reserve intervened on two occasions to steady the market, selling $9.1 million of marks out of balances. Otherwise, the System took a number of opportunities to acquire mark balances, buying some $60.6 million equivalent in the market and from correspondents from October through the year-end.

Meanwhile, the heads of state of the six major industrial countries meeting at Rambouillet, France, on November 15–17, 1975, affirmed their intention "to work for greater stability in underlying economic and financial conditions in the world economy. At the same time, our monetary authorities will act to counter disorderly market conditions or erratic fluctuations in exchange rates." Reports of this agreement were well received in the exchanges.

Coming into 1976, the markets were fairly optimistic toward prospects for the dollar. The United States continued to make progress toward reducing inflation. Our competitive position remained strong with the trade balance still in sizable surplus. The latest economic

TABLE 3

Drawings and repayments on Federal Reserve System by its swap partners

In millions of dollars

Banks drawing on System	Drawings on System, Jan. 1, 1975	Drawings, or repayments ( )					Drawings on System, Jan. 31, 1976
		1975				1976	
		Q1	Q2	Q3	Q4	January	
Bank of Italy	...	...	...	...	...	250.0	250.0
		...	...	...	...	...	
Bank of Mexico	...	...	...	180.0	180.0	...	...
		...	...	...	−360.0	...	
Bank for International Settlements (against German marks)	...	45.0	1.0	125.0	19.0	...	...
		−45.0	−1.0	−125.0	−19.0	...	
Total	...	**45.0**	**1.0**	**305.0**	**199.0**	**250.0**	**250.0**
		−45.0	**−1.0**	**−125.0**	**−379.0**	...	

indicators suggested that the slowing of the U.S. recovery in late 1975 had been only temporary and that, if anything, our recovery was more solidly based than the incipient upturns in other industrial countries. Thus, although U.S. interest rates continued to drift downward, the decline was expected to be temporary. In this atmosphere, consequently, the dollar was shielded from the variety of tensions that developed in markets for other currencies in early 1976.

By that time, divergent price and productivity performances among European countries had led many market participants to expect that exchange rate adjustments might again be necessary, both by those within the Economic Community (EC) "snake" arrangement and by other European countries whose trade is closely linked to that group. Early in January, the Swiss franc came into strong demand and rose further to new highs against the German mark before heavy intervention by the Swiss National Bank helped to steady the market. Then, in the context of a prolonged cabinet reorganization in Italy, the lira came under heavy selling pressure and, after extensive support operations, the Bank of Italy withdrew from the market on January 21 to conserve its cash reserves. Over subsequent days the lira dropped away by 6¾ per cent against the German mark, and, as rumors spread that further exchange rate moves were imminent, other currencies also came under selling pressure, including particularly the French franc and the Belgian franc. These essentially speculative selling pressures were strongly resisted by the authorities of the respective countries.

Since the dollar figured heavily in these flows—both as a vehicle currency for many market participants and as an intervention currency for central banks—the dollar also occasionally came on offer, particularly late in the month when a broader speculative demand built up for German marks, Dutch guilders, and Swiss francs. By the month-end, the dollar had slipped some 2 to 3 per cent against these currencies from early-December levels. During January, to avoid a disorderly decline of dollar rates, the Federal Reserve offered marks in New York on four different days, selling a total of $47.3 million equivalent. These sales were out of balances and were partly offset by $29.8 million of purchases from correspondents during the month.

The strains on European currencies continued into February. But, after further strong official statements that underlying economic conditions did not justify any realignment of EC currencies, as well as sustained central bank intervention complemented by domestic monetary actions, the markets began to settle down once again by midmonth. The more effectively coordinated intervention through late 1975–early 1976 and the expanded consultations among the

TABLE 4

U.S. Treasury securities, foreign currency series

In millions of dollars equivalent

Issued to—	Out-standing, Jan. 1, 1975	Issues, or redemptions ( )					Out-standing, Jan. 31, 1976
		1975				1976	
		Q1	Q2	Q3	Q4	January	
Swiss National Bank	1,599.3	...	...	...	...	...	1,599.3
Total	**1,599.3**	...	...	...	...	...	**1,599.3**

central banks were facilitated by various international agreements over the past year, including those among the Federal Reserve, the German Federal Bank, and the Swiss National Bank in London in February 1975; between the U.S. Treasury and the French Finance Ministry in Rambouillet; and by the Interim Committee of the International Monetary Fund (IMF) in Jamaica in January 1976.

In December the dollar countervalues of the Federal Reserve's Swiss franc and Belgian franc swap commitments incurred prior to August 1971 were adjusted upward to take into account the dollar devaluations of December 1971 and February 1973. At the same time, Belgian franc commitments were lowered to reflect the franc's December 1971 revaluation. As a result, the dollar equivalent of outstanding indebtedness in these currencies was increased, respectively, by $196 million to $1,167.2 million and by $54 million to $315.8 million. Following these formal adjustments, the Federal Reserve began to acquire modest amounts of these currencies in the market or through correspondents to make progress toward liquidating that debt. Specifically, in addition to the $6 million of Belgian francs acquired in September, the System bought a further $68.4 million equivalent in the market and from a correspondent during December 1975–January 1976, of which $62.9 million equivalent was used to repay swap drawings in that currency. As a result, Belgian commitments were reduced to $252.9 million of francs by the end of January. In December–January the System acquired $16.3 million of Swiss francs in transactions with correspondents, which was held in balances against the outstanding debt in that currency.

In sum, during the August 1975–January 1976 period, the Federal Reserve purchased a total of $240.4 million equivalent of foreign currencies and sold $106.5 million equivalent. Operations in German marks accounted for $149.7 million equivalent of total purchases and all of the sales. The remaining purchases were $74.4 million of Belgian francs and $16.3 million of Swiss francs.

In other operations, the swap line with the Bank of Mexico was increased from $180 million to $360 million in August. The full amount was subsequently drawn by the Bank of Mexico in September and October to meet temporary needs and was fully liquidated prior to maturity in December. In addition, on January 20 the Bank of Italy drew $250 million under its swap arrangement with the Federal Reserve.

GERMAN MARK

Unlike the United States, Germany remained in recession at midyear, with the economy not yet responding to the expansionary fiscal and monetary policies pursued since late 1974. Export demand was still weak as a result of the deeper-than-anticipated recession in Europe; in response to the deteriorating economic climate at home, a sharp jump in the savings rate kept domestic demand in check. During the summer, therefore, the German authorities took further steps to stimulate the economy. In July–August the federal government revealed plans for an expanded public works program to begin in the fall, coordinated with similar programs in France. In mid-August the German Federal Bank announced its fifth cut in the discount and Lombard rates for the year to 4 per cent and 5 per cent, respectively. It followed up earlier moves to release reserves by reducing requirements on nonresident deposits to the level applicable to domestic liabilities. In addition, to ease the strains on German capital markets that resulted, at least in part, from the swollen borrowing requirements of the German Government, the German Federal Bank embarked upon large open market purchases of federal bonds, thereby injecting further liquidity into the market.

As a result, German short-term interest rates fell even further below those in the Euro-dollar market and banks placed large amounts of funds abroad. These outflows, reinforced by large-scale unwinding of nonresident investment in German portfolio securities and an unfavorable shift of leads and lags, more than offset a continuing but much reduced surplus on current account. Thus, market psychology shifted decidedly against the mark, and, with some dealers moving to take up short positions, the German mark was pushed down by almost 10 per cent from June to trade around $0.3900 early in August. As the mark declined, the Federal Reserve acquired sufficient marks to repay by late July all remaining swap drawings on the German Federal Bank incurred in market operations since October 1974 and, in early August, began building up a small balance.

Meanwhile, German capital markets remained strained and long-term interest rates showed no tendency to ease in response to the steady drop in short-term rates. Consequently, the German authorities moved further to provide assistance to these markets, while also offsetting some of the capital outflows, by announcing a relaxation of controls on foreign purchases of German securities. In this connection, prohibitions on interest payments for nonresident deposits were eliminated and the authorities extended through September their recent 1-month ban against the flotation of new foreign bond issues in Germany.

Following these actions, the German mark steadied, trading with little day-to-day fluctuation until mid-September. At that point, the German Federal Bank eased monetary policy further by reducing its discount and Lombard rates another ½ of a percentage point and increasing banks' rediscount quotas. At the same time, however, U.S. interest rates firmed again, and these divergent trends triggered a renewed rise of the dollar across the board. The mark came heavily on offer, extending its slide a further 4½ per cent to a 19-month low of $0.3728 by September 23. The German Federal Bank sold a large amount of dollars to moderate the decline. The Federal Reserve also purchased marks to add to its balances, having acquired $59.3 million equivalent since early August.

As reports of concerted European intervention to assure orderly markets circulated, market expectations of further sharp declines in the mark rate subsided. Dealers then started to cover the short positions that they had built up while the mark was weakening. Moreover, by this time the earlier capital outflows from Germany began to taper off. German banks reduced their placements abroad to meet growing demand for credit at home from both the private and public sectors. At the same time, public authorities, taking advantage of the leeway provided by the easing of controls on capital inflows, began to import funds from abroad. Thus, within days the mark rebounded almost to the levels of early September, and this rapid turnaround inserted a note of caution in the market.

Meanwhile, the dollar was coming on offer, as dealers focused increasingly on the widespread press coverage of New York City's fiscal difficulties and as U.S. money market rates turned down. At the same time, Germany was recording a pick-up of consumer demand and a modest revival of foreign orders. These early signs of recovery, plus expectations that the German Federal Bank would soon suspend its support for the bond market, led many market participants to anticipate an early firming of German interest rates.

Consequently, demand for marks was building up when a sizable shift of funds out of sterling into marks as well as French francs on October 1 sparked heavy bidding for marks. As trading grew progressively more nervous, the mark began to swing more widely and the German Federal Bank and the Federal Reserve both resumed intervention to maintain orderly trading conditions. Operating on 4 days between October 1 and October 15, the Federal Reserve sold a total of $50.1 million equivalent of marks from balances. Thereafter, although the rate remained volatile and the German Federal Bank continued to intervene in Frankfurt, trading activity in New York was subdued and there was no further need for sales of marks by the Federal Reserve. During periods of dollar buoyancy in October, however, the System was able to purchase $36 million equivalent of marks for future contingencies. By late October the mark had leveled off at around $0.3900, up 4½ per cent from its mid-September lows.

By November, market fears of a cumulative decline in dollar rates had quieted. The actual suspension of the German Federal Bank's support program for the domestic bond market was taken in stride by the German capital markets, with little impact on bond yields. Progress toward a compromise resolution of New York City's fiscal problems, culminating in President Ford's announcement of temporary Federal aid to the city on November 26, reassured the markets. Moreover, the finance ministers attending the Rambouillet summit meeting pledged to work for greater stability in economic and financial conditions and to act to counter disorderly market conditions or erratic fluctuations in exchange rates. Reports of this agreement were generally well received in the exchanges. As a result, speculative demand for marks subsided, and the mark moved down toward levels of early September.

A leveling-off of U.S. interest rates, as well as news of an eighth consecutive large U.S. trade surplus in October and of a smaller-than-expected German surplus for that month, helped sustain the decline. Thus, by mid-December the mark had dropped back 3 per cent from its late-October highs to $0.3792. As the mark eased, the German Federal Bank sold most of the dollars it had taken in during October while the Federal Reserve took the opportunity to purchase $24.6 million equivalent of marks to add to balances.

During the rest of December, trading in marks was generally orderly and the Federal Reserve intervened on only two occasions. On December 19, European currencies were generally bid up against the dollar following erroneous reports from the Group of Ten meeting in Paris that the Bank for International Settlements (BIS) would be willing to auction IMF gold to central banks. The Federal Reserve entered the market with modest offerings of marks, selling $6 million equivalent from balances. Late in the month, when some large commercial purchases of marks provoked sharp increases in the mark rate in otherwise thin holiday markets, the German Federal Bank and the Federal Reserve again intervened, with the System selling $3.1 million equivalent from balances.

By the turn of the year, prospects for the German economy brightened considerably. Evidence of recovery continued to mount, with a reported gain in gross national product (GNP) and increases in export orders. In addition, Germany's trade balance had widened again. Thus, when the exchanges reopened for the first full day of trading on January 5, the mark was easily pulled up in the wake of a renewed sharp rise in the Swiss franc. Following up on coordinated central bank intervention in Europe, the Federal Reserve sold that day $23.1 million of marks from balances. Thereafter, in the aftermath of the Jamaica agreement on monetary reform, trading quieted. The spot mark gradually settled back against the dollar through mid-January, with the Federal Reserve selling only a further $3.8 million equivalent from balances to resist a sudden rise in the mark on January 14. Otherwise, the System added $29.8 million equivalent to balances through purchases from correspondents.

Late in January, however, divergent pressures among the European currencies, enveloping first the Italian lira, then the French franc and the Belgian franc, began to spill over into the market for German marks. At first, in the nervous trading following the suspension of official support for the lira, the mark slipped back to $0.3823. But, as some of the funds coming out of the weakening European currencies were shifted into marks, the mark rate moved up steadily against those currencies and then against the dollar as well. On 2 days when trading threatened to become disorderly, the Federal Reserve sold a total of $20.4 million equivalent of marks to steady the market, financing these sales from balances. By January 30 the mark reached a rate of $0.3868, some 3¾ per cent above its September low.

STERLING

In the first quarter of 1975, sterling remained steady in terms of its "effective" trade-weighted change since December 1971 at a depreciation of 21.5 per cent. As the dollar weakened against all main currencies at this time, sterling showed a modest gain in dollar terms. Nevertheless, markets had become increasingly discouraged over the prospects for sterling. As elsewhere, the British economy had slipped into serious recession. But, in contrast to other industrial countries, inflation in the United Kingdom was approaching runaway proportions, fueled by wage increases of as much as 30 per cent per annum.

Aside from the potential strains on the domestic social fabric, the inflation threatened to erode the clear progress Britain had made in narrowing its previously massive current-account payments deficit. That deficit nevertheless remained uncomfortably large, and traders had become doubtful that it could be fully financed, since U.K. public sector borrowings abroad had slowed and new OPEC (Organization of Petroleum Exporting Countries) investments in sterling assets began to taper off as OPEC surpluses declined. Consequently, sterling had become vulnerable to selling pressure, and in the 3 months to the end of June it had dropped some 10 per cent against the dollar—to an "effective" depreciation since December 1971 of 28.9 per cent.

By that time, however, the U.K. Government had begun to negotiate with labor and management a voluntary arrangement to limit wage increases to 6 pounds per week over the next year. This arrangement, backed up by a program of price restraint, was designed to bring the inflation rate down to 10 per cent by the end of 1976, comparable to levels then prevailing in most of the leading European countries. In addition, short-term British interest rates were increased, thereby restoring the differential in favor of the pound, which had been partially eroded by firmer U.S. interest rates. These measures took some of the immediate pressure off sterling. It therefore continued to trade around $2.15½ even as the dollar strengthened sharply against the main continental currencies, thereby narrowing its trade-weighted depreciation to 26.2 per cent at the end of July.

Until the voluntary restraint could be tested, the market nevertheless remained skeptical that this new approach would slow Britain's inflation significantly. Thus, when end-of-July demand for oil royalty payments passed, traders cautiously rebuilt some of their short sterling positions and, as the dollar continued to strengthen, the spot rate dropped off to a low of $2.0975 on August 11. Sterling then steadied, as an increasing number of British trade unions voted to accept the pay limits under the new anti-inflation plan. Moreover, early in September Chancellor Healey's denial at the IMF annual meetings of any government intention to seek a new depreciation of the pound helped to reassure the market.

Britain's trade deficit had begun to widen once again, however, as imports for developments of the North Sea oil fields increased sharply. The announcement in mid-September that the government would propose plans to alleviate unemployment triggered exaggerated fears of a general reflationary package, and the pound began a sharp decline. Details of the government's proposals showed a more modest package of selective employment measures than had been expected. Nevertheless, sterling continued to fall off under heavy selling until early October, when it reached $2.0262 for an effective depreciation of 29.7 per cent. The Bank of England intervened flexibly to smooth the decline.

By early October the problems of New York City were beginning to weigh on the dollar, and when U.S. interest rates suddenly declined, the pound joined other European currencies in a generalized rise against the dollar. Moreover, on October 6 the Bank of England raised its minimum lending rate by 1 percentage point to 12 per cent in a move widely interpreted in the market as reflecting the authorities' intention to maintain favorable short-term interest differentials in order to discourage outflows of funds. Consequently, a steady demand for pounds developed, including a trimming of some of the numerous short positions that had been built up previously. The pound thus recovered gradually to $2.0820 by early November, with the Bank of England taking the opportunity to recoup some of its previous reserve losses. Then, to supplement its resources further, the British Government announced on November 7 that it would apply for a total of $2 billion in drawings on the IMF, including $1.2 billion from the IMF oil facility.

This recovery was short lived, however, as the easing of exchange market concerns over New York City's finances soon buoyed the dollar at a time when the market was reacting to a spate of pessimistic forecasts for the United Kingdom for 1976. Sterling dropped off in dollar terms through most of November, reaching a new low of $2.0132 on November 28, before leveling off once again in early December; in effective terms it eased gently to a 30.1 per cent depreciation.

Beginning in December, some of the extreme exchange-market pessimism toward sterling started to lift. The voluntary wage restraint program was effectively dampening wage increases with clear evidence that inflation was receding. There were also early indications that the British recession was reaching bottom. Recovery was expected to be slow in coming, but the government, having announced a shift in priorities toward stimulating certain key industries and away from broad social welfare programs, had reassured the market that it would strive to maintain Britain's competitiveness over the near term. This firmer undertone for sterling continued through the year-end and into early 1976, with the pound buoyed by further covering of previous short positions, a pick-up of commercial demand, and the large interest rate differential in favor of the United Kingodm.

With inflation slowing, the British authorities allowed domestic interest rates to follow the easing of interest rates in the United States and elsewhere. The improved market atmosphere helped shield sterling from being drawn into the heavy speculation that erupted in markets for continental European currencies in late January. Having traded in the $2.02–$2.04 range since early December, sterling held at around $2.0275 at the end of January, for a net decline of nearly 6 per cent against the dollar and 5 per cent on a trade-weighted basis since last July. In January the Bank of England cash reserves were bolstered by the $1.2 million drawing on the IMF oil facility.

SWISS FRANC

During early 1975, the Swiss economy was also dragged into recession by the sharp downturns in its major markets abroad. At the same time, recurrent financial, speculative, and hedging demand pushed up the Swiss franc in the exchanges, thereby threatening to weaken further the competitive position of Switzerland's already strained export industries. In order to counter recessionary tendencies in the domestic economy without reversing progress already achieved in lowering inflation, the Swiss authorities took selective fiscal measures. In addition, the National Bank cut its discount rate 1 percentage point in two steps to 4½ per cent by May 19 and reduced reserve requirements.

The authorities also took a variety of actions to contain a further strengthening of the Swiss franc and discussed with members of the EC currency arrangement the possibility of establishing a link with the snake as a means of stabilizing the franc against the other European currencies. By midsummer prospects of an early association with the EC snake dimmed and the Swiss franc was again gaining ground against the EC currencies even as it eased back against the dollar to $0.3720 by early August.

By this time, the market was focusing increasingly on the relationship between the Swiss franc and the German mark, the currency of Switzerland's major trading partner. The recession in Germany was already deeper and more prolonged than expected, while the economic slowdown in Switzerland was viewed as correspondingly less severe.

As the market expected a further easing of liquidity in Germany throughout the late summer and fall, therefore, the Swiss franc continued to rise against the mark. To moderate the franc's advance, the Swiss National Bank made frequent purchases of dollars on the exchanges. Since these purchases were offset by continuing dollar sales to foreign borrowers under the capital export conversion program, they resulted in little net change in reserves. Against the dollar, the franc drifted somewhat lower, slipping 2 per cent to $0.3643 by September 23, as the dollar gained generally in the exchanges.

Later in September, however, when uncertainties surrounding the New York City financial crisis and the trend of U.S. interest rates generally weighed on the dollar, the franc led the rebound of European currencies against the dollar. Under these circumstances, the National Bank stepped up its intervention. Also, to reduce Swiss interest rates further, it lowered the official discount and Lombard rates three times, to 5-year lows of 3 per cent and 4 per cent, respectively, by October 29.

Moreover, to dampen speculative activity, the central bank further tightened existing limitations on forward Swiss franc transactions with foreigners. Nevertheless, the franc continued to advance to a peak of $0.3817 by late October, while gaining another 2 per cent against the German mark from August levels. By early November, the National Bank's intervention had helped to reassure the market, and once a resolution to New York's financial crisis appeared to be in sight, the franc joined in the general retreat of European currencies. The franc eased back more gradually than other currencies, however, slipping 2 per cent to $0.3733 and rising another ½ of a percentage point against the German currency.

By December, market sentiment toward the franc became even more bullish than before. By then, Swiss consumer price inflation was down to a rate of 3.4 per cent per annum—well below the rates elsewhere. The Swiss trade account had swung into a surplus. Moreover, an early link with the EC snake was formally ruled out, and, with the franc already having moved through parity with the Dutch guilder, the market soon came to expect it would close in on the German mark as well.

A number of market participants with recent and long-standing debts in Swiss francs therefore began to cover their exposure. In addition, commercial banks and private corporations moved actively to unwind short franc positions against marks. Then, with the onset of demand for Swiss francs for year-end window dressing, bidding soon escalated. As a result, the franc rose strongly against both the European currencies and the dollar.

In order to counter the upward pressure on the franc, the Swiss National Bank provided substantial temporary liquidity to the Swiss banks through a total of $1.8 billion of dollar swaps over the year-end. It also intervened heavily in the spot market, purchasing dollars to moderate the rise in the spot rate. Although trading conditions were kept generally orderly, the franc rate continued to firm and reached $0.3823, its highest level in 5 months. In addition, the Swiss franc strengthened to above parity with the German mark, while increasingly pulling up other currencies along with it against the dollar.

When the Swiss foreign exchange market reopened on January 5 after the New Year holiday, however, a bunching of orders to buy Swiss francs triggered a further sharp rise in the Swiss franc rate. Professional traders, concerned about the liquidity-tightening effects of the substantial repayment of year-end swaps, were reluctant to provide much resistance to this increase. Thus, the advance picked up momentum, as more corporations rushed to hedge their long-term Swiss franc borrowings and as funds flowed into Switzerland from Italy, where the lira had come under heavy selling pressure. On that day alone, the Swiss franc rate jumped 1⅛ per cent to $0.3863. Then, and over subsequent days, the Swiss National Bank provided forceful resistance to a further rise by large-scale dollar purchases, both in Zurich and through the Federal Reserve in the New York market. In the first week of trading in January, the Swiss central bank took in more than $400 million, and, as the market became aware of the magnitude of its intervention, trading conditions gradually settled down.

Thereafter, the franc eased back, and the market was further reassured by the announcement of another cut in the official discount rate to 2½ per cent on January 12. Moreover, the monetary authorities issued new regulations to monitor more closely the Swiss banks' open foreign currency positions. Therefore, late in the month, the franc lagged behind the rise of the mark as pressure within the EC snake built up. Nevertheless, by the end of January, the Swiss franc at $0.3844 was 3½ per cent higher than 6 months before.

In December the Federal Reserve, the Swiss National Bank, and the BIS agreed to adjust the System's pre-August 15, 1971, remaining swap commitments to take account of the December 1971 and February 1973 dollar devaluations. As a result, the total dollar countervalue of the commitments was increased by $196 million. Since the swap line with the BIS was already fully drawn, a portion of Swiss franc commitments with the BIS was transferred to the Swiss National Bank so that the entire increase was reflected in the System's outstanding commitments to that Bank.

Total System indebtedness to the Swiss National Bank was, therefore, raised to $567.2 million. In December–January, the Federal Reserve bought $13.2 million equivalent of Swiss francs from the Swiss National Bank against sales of various foreign currencies that the System had acquired either in the market or from correspondents, and an additional $3.1 million equivalent from other correspondents. The total $16.3 million equivalent of Swiss francs was held in balances against outstanding swap debt in that currency.

FRENCH FRANC

During the first half of 1975 a massive turnaround in France's external position had progressively bolstered market sentiment toward the French franc. Trade prospects had been brightened by announcement of substantial export contracts from OPEC, while heavy liquidation of inventories, reduced energy requirements, and a severe recession at home had cut into imports. Thus, the trade balance swung from a $3.9 billion deficit in 1974 to a $1.6 billion surplus by midyear, sufficient to eliminate France's oil-inflated deficit on current account.

Meanwhile, monetary policy was kept relatively restrictive in order to combat France's still high rate of inflation. Interest rates, therefore, moved still further above those in most other countries, stimulating sizable inflows of funds from abroad, and French companies were encouraged to borrow some $1.3 billion abroad.

As a result, the franc gained strongly in the exchanges not only against the dollar but also against other European currencies. By midyear, the spot rate had appreciated almost 20 per cent from its low of August 1974 to be again in reach of its central rate against the German mark and other EC currencies.

Meanwhile, the Bank of France had intervened to moderate the franc's rise, partially reflected in the $2 billion increase in foreign exchange reserves over the same period. On July 10 the franc rejoined the EC snake at its existing central rate and, thereafter, the Bank of France resumed purchasing moderate amounts of dollars. From $0.2288 on August 1, the franc moved up with the other European currencies before easing back in late August, even as the Bank of France intervened to dampen upward pressure on the franc and keep it in the middle of the EC snake.

In the meantime, the domestic economy continued to weaken and unemployment was still rising rapidly. In early .September, President Giscard d'Estaing announced a major fiscal package, which would provide substantial stimulus through an investment tax credit and through large-scale expenditures on social infrastructure investments and transfer payments.

At the same time, the Bank of France's discount rate was reduced by 1½ percentage points to 8 per cent. In addition, reserve requirements on demand deposits were lowered from 11 per cent to 2 per cent to inject additional liquidity into the banking system, and credit regulations were eased to stimulate construction and consumer spending. This expansionary package first gave pause to the market, but, after a temporary decline in the franc rate, strong commercial demand reappeared and the franc eased back less than other EC currencies when the dollar advanced across the board after mid-September.

Thus, by late September, the French franc had emerged near the top of the EC band, a position it was to hold through the year-end. It continued to benefit from relatively high interest rates, conversions of foreign borrowings, and inflows of funds following renewed tensions in the Middle East. In addition, by comparison with other countries in the EC, France appeared more likely to enjoy a modest economic recovery than those more dependent on a revival of demand in export markets. Consequently, the franc joined in the rebound of European currencies in late September and October, as the dollar generally weakened in response to concern over New York City and an easing of U.S. interest rates. Bidding for francs was frequently heavy, and, despite large dollar purchases by the Bank of France to avoid pressures within the snake, the spot rate strengthened to a high of $0.2306 by the end of October.

Thereafter, as the dollar regained buoyancy generally, the spot franc settled back some 3 per cent against the dollar during November and December. Although the Bank of France's dollar intervention tapered off, it began to purchase small amounts of German marks to keep the franc off the top of the snake. The central bank intervention was partly reflected in French official exchange reserves, which had swelled by more than $2 billion in the 6 months through the end of December.

Shortly after the new year, however, market sentiment toward the French franc suddenly turned bearish. With the French economy picking up some momentum, the trade balance was moving into deficit, prompting dealers to reassess the outlook for the franc. As French credit conditions improved, French companies repaid some of their previous foreign borrowings. At the same time, the French Government reaffirmed that new foreign borrowings would be strictly limited, and, with fewer approved issues still in the pipeline, demand from conversions tapered off.

Against this background the franc came heavily on offer in mid-January, after a leading French commercial bank predicted a large 1976 trade deficit and called for a slight downward exchange rate adjustment. Substantial commercial selling of francs, including bidding for dollars by French oil companies to meet mid-month payments, sustained the decline. By January 20, the franc rate had slipped to $0.2230 and had also weakened against other EC currencies, despite moderate resistance by the Bank of France.

Thus, the franc was already vulnerable in the exchanges when news of the suspension of official intervention in Italy on January 21 quickly unsettled the market. In response, dealers scrambled to unload long French franc positions, and leads and lags shifted against the franc, pushing the spot rate down ½ of a percentage point against the dollar and ¼ of a percentage point against the German mark. The Bank of France sold large amounts of dollars and smaller amounts of German marks to keep the franc from falling to the bottom of the EC snake.

Selling pressure nevertheless remained intense, as rumors began to circulate of a possible downward adjustment of the franc. These rumors were forcefully denied by French Finance Minister Fourcade and Foreign Trade Minister Barre. On the last days of January, the balance of speculative forces in the market began to tip in favor of the mark. Thus, the French franc, while still generally on offer, bottomed out at $0.2219 and traded around $0.2236 at the month-end, some 2¼ per cent below early-August levels.

ITALIAN LIRA

Through early summer 1975 following a period of severe monetary restraint, Italy cut back domestic inflation significantly. It also achieved a drastic turnaround in its current-account payments position, from a $7.5 billion deficit in

1974 to near balance in the first half of last year. Italy's previous payments difficulties had led to about a 25 per cent weighted-average depreciation of the lira since early 1973 and to a large accumulation of foreign debt by private and state-owned enterprises. The Italian authorities still sought greater wage and price stability, which could strengthen the current account further and bring the over-all payments account into equilibrium. Nevertheless, the progress thus far in 1975 had been at the cost of a severe drop in output and rise in unemployment. At the same time although many Italian exports were clearly competitive in world markets and Italy's recession was deeper than elsewhere, the protracted weakness in foreign demand had frustrated prospects for the kind of export-led recovery considered essential for the lira's longer-term stability in the exchange markets.

Through most of early 1975, the lira had moved more narrowly than other EC currencies against the dollar, rising by 4 per cent through the end of May and falling by 6 per cent in June and July to $0.001505. While the lira eased against the dollar in the early summer, its improvement against other EC currencies had enabled Italian public authorities and Italian banks to repay substantial foreign debts.

Late in July, in order to deal with the deepening recession, the Italian Government announced a $5¼ billion equivalent reflationary package. The lira came under some selling pressure in early August, dipping below $0.001500, and the Bank of Italy intervened to moderate the decline. The immediate nervousness soon passed, however, and the cumulation of seasonal demands, largely receipts from tourism, buoyed the lira through early September. The Bank of Italy was thus able to recoup part of its earlier sales, while also taking into reserves the proceeds of Italy's $930 million drawing on the IMF on September 4.

In September, while following the general decline against the dollar through late-month, the lira began to ease against other European currencies as well. In a further step to stimulate the economy, the Bank of Italy cut its discount rate on September 15, for the second time in 1975, from 7 to 6 per cent, and adjusted its other lending rates by a similar margin.

With interest rates generally steady elsewhere, Italian importers repaid commercial credits granted in 1974 and Italian banks moved to liquidate more of their foreign currency liabilities. Consequently, outflows of short-term funds began to weigh on the spot rate and the lira followed only part way in the general rise of European currencies against the dollar in late September and early October, even as the Bank of Italy resumed support of the spot rate through dollar sales.

By late fall, Italian industrial activity was showing only tentative signs of recovery as sectoral bottlenecks blunted the impact of the fiscal and monetary stimulus that had been provided. Meanwhile, the financing of an increased budget deficit—estimated at nearly 10 per cent of GNP—and the continuing release of funds held under the import deposit scheme contributed to a rapid expansion of the monetary base.

Against this background, imports began to pick up sharply as some firms restocked depleted inventories. Thus, the trade balance deteriorated sufficiently to erode the surplus that had emerged by midyear. With renewed capital outflows developing, selling pressure on the lira began to build up in the exchanges, and the Bank of Italy had to provide heavy support to keep the lira in line with other European currencies. By the year-end, these losses had reduced official exchange reserves to $1.3 billion.

Shortly after the new year, a cabinet crisis precipitated by the withdrawal of Socialist Party support for the minority coalition culminated in the resignation of the government. As efforts went forward to strike a new political compromise on which a viable cabinet could be formed, selling pressure on the lira grew heavy. At first, the outflows were readily met with forceful intervention by the Bank of Italy, and the market was in better balance by January 9. Nevertheless, the substantial reserve losses by the Italian authorities had become a matter of discussion in the press and of concern in the market.

Moreover, uncertainties over the lira's prospects were compounded when loans to Italian institutions were mentioned in the spate of allegations appearing in the U.S. press over the condition of U.S. banks, and renewed heavy selling pressure soon erupted. By January 20, the Bank of Italy had sold over $500 million more since the beginning of the year and, to add to its cash balances, on that day drew $250 million under the swap line with the Federal Reserve.

But by this time, in the absence of the formation of a new government, the Italian authorities were facing some hard choices. These were well described by Bank of Italy Governor Professor Paolo Baffi in an address to the Institute for Advanced Military Studies in Rome on January 15, 1976:

> I would say that the task of defending the lira at present may be likened to that of defending a fortress with insufficient supplies of food and ammunition and with the cordon of the besieging army closing further and further in every day. In this analogy the territorial inroads represent the progressive loss of purchasing power of the lira; the gradual exhaustion of supplies of food and ammunition corresponds to the erosion of the foreign exchange reserves and of Italy's credit standing abroad. In the conduct of economic policy, however, we find no counterpart for two fundamental imperatives in a state of siege, viz. food rationing and unity of command.
>
> The counterpart of rationing might be found in a genuine incomes policy for which there have been vain demands for more than a decade. The counterpart of unity of command would be a broad coordination of economic policy on the basis of a consistent set of objectives, one of which must be monetary stability.

On January 21 the Italian authorities announced that, to conserve reserves, the Bank of Italy would suspend official dealings in the exchange markets. This decision left the lira effectively floating freely in the exchanges and, as selling continued over the next few days, the spot rate plummeted by some 6¼ per cent in occasionally disorderly trading. The lira continued to fluctuate widely over the rest of the month, closing on January 30 at $0.001321, some 10 per cent below levels prevailing before the cabinet resignation. The proceeds of the $250 million swap drawing on the Federal Reserve remained unused but available for intervention by the Bank of Italy to maintain an orderly exchange market following resumption of official dealings, ultimately set for March 1. Treasury Minister Emilio Colombo reported to Parliament late in January that official intervention policy would be aimed at "assuring a normal development of international transactions, eliminating accidental oscillations in the lira rate due to purely speculative transactions, and orienting the lira toward a level indicated by medium-term underlying balance-of-payments trends."

NETHERLANDS GUILDER

In order to stimulate a still sluggish domestic economy, fiscal and monetary policy in the Netherlands continued to be relaxed throughout early 1975. As a result, monetary growth accelerated, and, although the Netherlands Bank temporarily absorbed some of the excess liquidity from time to time, Dutch short-term interest rates declined steadily to levels well below those in the United States, Germany, and Belgium. Thus, Dutch commercial banks placed increasing amounts of funds abroad, both in the Euro-dollar market and in continental financial centers. Moreover, long-term capital outflows, including several new Euro-guilder bond issues, remained substantial. Together, these flows more than offset the Netherlands large current-account surplus.

The guilder, therefore, had declined more steeply against the dollar than other EC currencies during early summer, contributing to a narrowing of the EC snake. In August Dutch interest rates eased further, and the Netherlands Bank cut its discount rate by ½ of a percentage point to 5½ per cent. Partly in response, the guilder drifted back to about $0.3775. Then, after having held fairly steady through mid-September, it dropped back another 4 per cent to a 19-month low of $0.3629 as the dollar advanced across the board. But, toward the end of September, the guilder rebounded with other European currencies, as New York's fiscal crisis and declining U.S. interest rates weakened the dollar generally.

Meanwhile, the Netherlands current account had been further bolstered by growing foreign sales of Dutch natural gas. In addition, Dutch short-term interest rates bottomed out in response to seasonal factors. Although the Netherlands Bank took in dollars on a swap basis, providing guilders to prevent a tightening of liquidity from exerting strong upward pressure on the exchange rate, the guilder remained buoyant both against the dollar and against the other EC currencies throughout the late fall. On those occasions when new developments in New York City's ongoing fiscal crisis unsettled the markets, the guilder was bid up strongly with other currencies and the Netherlands Bank bought small amounts of dollars to maintain orderly markets. Even so, by early November, the guilder had advanced 5¼ per cent from its September lows to $0.3818.

Once elements of a compromise to New York's financial problems began to emerge late in November, the guilder eased back to trade through the year-end at around $0.3728. Against other European currencies, however, it remained firm. Dutch current-account surpluses continued to cumulate, and prospects improved for further gains in manufactured exports as signs of a recovery of demand abroad, especially in Germany, started to appear. In addition, it was announced that the previous ban on interest payments to nonresidents would be lifted, effective January 1, 1976. By late December the guilder was pushing against its upper limit within the Benelux currency arrangement although, at first, only modest intervention by the Dutch and Belgian central banks was needed to maintain the 1½ per cent margin between the two currencies.

By late January, however, demand for guilders was exerting greater upward pressure not only against its partner in the Benelux band but against all EC currencies. Substantial payments for gas and refined oil exports, interest charges on outstanding Euro-guilder loans, and other month-end commercial demands combined to swell bidding for the Dutch currency. Then, on January 28, a press report that the Benelux band might be abandoned triggered large-scale speculative demand for guilders against sales of Belgian francs. Although this report was officially denied both in Amsterdam and in Brussels, the pressures intensified on the last 2 days of the month, as rumors of a realignment of parities among EC snake currencies—including a possible revaluation of the guilder—circulated in the market. In order to maintain the Benelux limits, the Netherlands Bank, intervening in coordination with the National Bank of Belgium, bought substantial amounts of Belgian francs as well as dollars. In a further effort to relax pressure on the guilder, the Netherlands Bank also announced on January 30 a ½ of a percentage point cut in its bank rate to 4 per cent and a 1 per cent cut in its other interest rates. Nevertheless, by the end of January the guilder had firmed to $0.3752, for a net rise of 3¼ per cent since its mid-September low.

BELGIAN FRANC

By midsummer 1975 the deepening recession in neighboring countries had exerted a serious drag on the Belgian economy, pulling industrial production down by over 10 per cent and pushing the unemployment rate up to 6½ per cent. But the rate of inflation remained persistently high and above the rates of some of Belgium's major trading partners. Faced with this dilemma, starting in May 1975 the government had imposed a selective price freeze to break inflationary expectations while gradually easing monetary conditions to stimulate the economy. By August 21, the National Bank of Belgium had cut its discount rate in two steps to 6 per cent, generally in line with the easing of interest rates elsewhere on the continent, and had released commercial bank reserves. Thus, the Belgian franc joined in the general downtrend of currencies against the dollar, easing to $0.026040 by early August, while remaining in the upper half of the EC band.

During September the market became concerned that Belgium's inflation, fueled by a continued rise in price-indexed wages, was not slowing as rapidly as hoped in response to the price freeze. With the trade balance worsening in the face of depressed demand abroad and the application of a rather low interest rate policy, the commercial franc became vulnerable to selling pressures.

Against this background, as the dollar advanced strongly in the exchanges just after mid-September, the franc fell away more rapidly than other European currencies. By September 23, the commercial franc had dropped 5 per cent to $0.024730 and, to cushion the decline, the National Bank of Belgium sold moderate amounts of dollars. For its part the Federal Reserve took this opportunity to resume purchases of Belgian francs against outstanding swap debt incurred before August 1971, acquiring $6 million equivalent over September 23–24. Pressures on the Belgian franc then subsided, and the commercial rate rebounded with other European currencies in late September and October. On a few occasions during this time, the National Bank made small purchases of dollars to maintain orderly market conditions in Brussels.

During November and early December the Belgian franc again drifted down against the dollar along with other EC currencies. Concern over Belgium's price performance continued—especially after proposed government anti-inflationary measures ran into opposition from the labor unions and within Parliament. Consequently, the franc eased to near the bottom of both the EC snake and the separate Benelux band. The authorities were able, however, to stabilize the franc's position within those limits with only occasional modest dollar sales.

Meanwhile, on December 2 the Federal Reserve and the National Bank of Belgium implemented an earlier agreement to adjust commitments under outstanding Federal Reserve swap drawings initiated prior to August 15, 1971. As a result of these adjustments, the System's debt in Belgian francs was decreased to take into account the 1971 Belgian franc revaluation, and the corresponding assets of the National Bank of Belgium were increased by $54 million to $315.8 million to take into account the dollar devaluations of 1971 and 1973. Subsequently, the Federal Reserve resumed a program of regular market purchases of small amounts of Belgian francs and used these acquisitions to repay $18.1 million equivalent of outstanding debt before the year-end.

In December and early January, trading in commercial Belgian francs was fairly balanced, but, with the Dutch guilder on a rising trend, the Benelux band was extended to its 1½ per cent limit. Intervention was modest, though, until generalized speculation over European currency relationships emerged in late January.

In particular, on Wednesday, January 28, the pressures on the Benelux band sharply intensified in response to newspaper reports that the Benelux currency arrangement might be disbanded. The reports were strongly denied by both governments, but the National Bank of Belgium and the Netherlands Bank were obliged to absorb large amounts of francs through sales of guilders in order to maintain the limits of the band. The National Bank supplemented this intervention with sales of dollars as well. Moreover, since much of the speculation was in the form of adverse shifts in leads and lags, the National Bank responded by raising interest rates on a variety of trade-related paper. The pressure against the franc then subsided, at least temporarily, with the Belgian franc trading on January 30 at $0.025470, 2¼ per cent below levels of 6 months before. Meanwhile, the Federal Reserve continued to make modest purchases of Belgian francs and repaid a further $44.7 million of swap debt. The remaining 1971 commitments in Belgian francs were thereby reduced to $252.9 million by the end of January.

JAPANESE YEN

Japan had begun to pull out of recession ahead of most other industrial countries, but by midsummer the recovery was losing its initial momentum. Thus, the market expected the authorities would follow up their increasingly stimulative policies of the spring with additional reflationary measures and a further gradual easing of monetary policy. Meanwhile, the deep and long-lasting recession abroad had seriously clouded prospects for Japanese exports. Although Japan's trade-account surplus had widened substantially earlier in the year, by the summer the market was increasingly concerned that export demand would prove insufficient to cover any growth in imports pulled in by the incipient recovery.

As a result, the yen lost buoyancy in the exchanges and, as demand for dollars built up in Tokyo, the spot rate slipped back 4¼ per cent from early-March levels to 298 yen ($0.003356) by early August. As expected, the Bank of Japan on August 12 cut its discount rate by ½ of a percentage point to 7½ per cent and indicated it would regulate various limits on bank credit expansion more flexibly. In addition, on September 17, the government announced another package of measures to aid the recovery, including increased public works expenditures and financial aid to medium- and small-sized firms, while further relaxation of monetary policy was suggested as well.

Meanwhile, many exchange dealers had some concern over the eventual deterioration of Japan's current balance, and news of the collapse of a major Japanese industrial corporation had caused concern over the financial position of Japanese companies. Thus, the yen remained on offer in sporadically heavy trading throughout August and September. The Bank of Japan intervened forcefully first at 298 yen and then, as the dollar gained strongly elsewhere in the exchanges, it moved the intervention level in two steps to 303 yen ($0.003300). The heavy intervention was reflected in a 2-month decline of $1.4 billion in Japanese official foreign exchange reserves.

By late September a bunching-up of export bill conversions and the decline of dollar rates against the major European currencies helped to relieve the pressure on the yen. Thus, previously adverse leads and lags were reversed, providing support for the spot rate even as the current-account deficit widened. Moreover, net capital outflows through nonresident sales of Japanese securities slowed as U.S. interest rates began to decline and OPEC interests made occasionally sizable investments in yen. In this improved atmosphere, there was little market reaction to announcement of a long-anticipated discount rate cut to 6½ per cent on October 23. In fact, the yen traded below the 303-yen level from mid-October to mid-November.

Selling pressure on the yen soon re-emerged, however, in reaction to a variety of events. Following the November 15–17 Rambouillet summit meeting, the Japanese press carried reports suggesting that the yen might be allowed to weaken further before the January 1976 Jamaica conference of the IMF. A public workers' strike also had an adverse effect, as did news of an increased Japanese current-account deficit in October and scaled-down estimates of the strength of the Japanese recovery.

The Bank of Japan, while lowering its intervention level, again offered firm resistance to the yen's decline, and by mid-December the spot rate bottomed out at 306¾ yen ($0.003260), some 2¾ per cent below early-August levels. Thereafter, bearish sentiment began to lift on a combination of positive factors, including an expected increase in January of the swap quotas for foreign banks in Japan and heavier-than-anticipated export bill conversions. Consequently, the exchange market came into better balance in quieter trading through the year-end.

By early 1976 the pendulum had swung back in favor of the yen. The outlook for the trade balance brightened, as economic recoveries elsewhere bolstered export prospects while the slowing of Japan's recovery dampened import growth. Moreover, in response to a renewed decline in U.S. money market rates, foreign purchases of Japanese securities picked up. Thus, traders began to cut back long dollar positions. By the month-end, the yen was bid back up to 303⅝ yen ($0.003293), some 1 per cent above December's low. Meanwhile, the Bank of Japan purchased dollars to moderate the yen's advance, contributing to a reserve gain of $338 million in January.

CANADIAN DOLLAR

In the spring and early summer of 1975, the markets had taken a bearish view of the outlook for Canada's payments position. Canada's current account had already swung into deep deficit. And, with Canada's economic downturn both milder and shorter than those abroad, imports were rising more rapidly than exports.

Moreover, Canada's rate of inflation remained high, particularly compared with that of the United States, while new labor settlements suggested that wage rates would continue to rise sharply, threatening further erosion of Canada's competitive position. To contain inflationary pressures, monetary policies had been tightened somewhat in the spring, and modest favorable interest rate differentials had emerged by May. But uncertainties over the economic outlook blunted any significant inflows of short-term funds, thereby leaving a potentially large payments gap to be filled by long-term Canadian borrowings abroad.

Consequently, the market for Canadian dollars was left vulnerable to shifting expectations over the extent to which Canadian borrowers could tap these markets. During the first half of the year, a heavy schedule of foreign public and private issues in other markets, particularly in the United States, had at times seemed to preclude additional large Canadian offerings. Thus, the Canadian dollar had been under recurrent selling pressure, declining by some 4 per cent from $1.0100 in January to $0.9696 by the end of July. The pressure reappeared in early August, and the rate slipped to as low as $0.9616—its lowest level in 5 years—by August 18.

Over the following weeks, the atmosphere began to improve in response to signs of an improved outlook for Canadian placements abroad as well as reports of Soviet demand to finance large new grain purchases in Canada. By September new foreign borrowings by municipal and provincial agencies had been placed, and a large number of Canadian corporate issues in the Euro-bond market were announced, as firms began to take advantage of the planned removal of withholding taxes on foreigners' holdings of long-term Canadian corporate securities. As proceeds of these various new issues were converted into Canadian dollars, the spot rate began to move up in the exchanges, reaching $0.9788 by September 23. Meanwhile, on September 3, the Bank of Canada had raised its discount rate by ¾ of a percentage point to 9 per cent.

Late in September, the market for Canadian dollars took on a more hesitant tone especially when, and in the backwash of the New York City fiscal crisis, a large issue by a Canadian municipal borrower received a mixed reception in the New York market. Then, since figures had just been released showing a widening of the trade deficit and a more rapid rise in wages and prices, the market was receptive to rumors that began to circulate in the exchanges on October 10 that the floating Canadian dollar would be devalued as part of an upcoming government package of new economic measures. An ensuing bout of selling pushed the rate back down to $0.9699, with the Bank of Canada intervening to steady the market.

On October 14 the government announced a major new initiative to curb accelerating domestic inflation. A 3-year wage and price program was introduced, limiting annual wage increases covered by the plan to 10 per cent in the first year. In addition, price increases were restricted to reflect cost increases only. Profit margins were frozen, and corporate dividends were fixed at current levels.

Later on, Bank of Canada Governor Bouey stressed the Bank's commitment to moderating the growth of monetary aggregates through higher interest rates if necessary. Meanwhile, major new foreign issues were undertaken by Canadian public and private borrowers both in the United States and in the Euro-currency markets, and prospects of large-scale conversions prompted further demand for the Canadian dollar. As a result, the Canadian dollar rallied in late October and continued to advance through most of November, reaching $0.9912 by November 28 or a rise of 2 per cent in 6 weeks' time. In December the rate eased back largely on seasonal factors, as short-term outflows to the United States increased ahead of the December 15 corporate tax date and as conversions of foreign borrowings tapered off temporarily.

In January 1976, the Canadian dollar came into renewed heavy demand. Canadian provincial authorities announced several substantial new foreign borrowings, which, taken together, would more than offset the expected current-account deficit in the early months of the year. Moreover, U.S. interest rates were drifting downward while Canadian rates held firm, opening record interest rate differentials of as much as 4 percentage points in favor of Canada. By late January, the Canadian dollar had been bid above the $1.00 level, for a net rise of 3 per cent over the 6-month period. Largely reflecting the Bank of Canada's day-to-day intervention to moderate exchange-rate movements, Canadian reserves rose by a net of $375 million from July 1975 through January 1976.

EURO-CURRENCY MARKETS

The Euro-currency markets grew increasingly active during the latter half of 1975, after a marked slowdown of activity earlier in the year. The great bulk of new bank lending, however, continued to be concentrated in the nonindustrial countries. Nearly half of new syndicated medium-term credits went to the non-oil-producing less-developed countries, which suffered from mounting payments imbalances in the wake of the severe contraction of world demand. In addition, several of the oil-producing countries that had launched ambitious economic development programs began to appear as substantial borrowers, as demand for oil declined and their imports escalated. Sizable amounts were also raised by Eastern European countries, although their share of total loans tended to decline somewhat.

In contrast, demand for loans by borrowers from the major industrial countries, while picking up here and there toward the year-end, remained slack. In the early stages of the economic recovery, private and semipublic corporations in these countries were still trying to rebuild liquidity and otherwise to strengthen their balance sheets. In order to reduce their dependence on sources of finance available only at variable rates of interest, many of these firms took advantage of favorable conditions in domestic and international bond markets to raise long-term capital at fixed interest rates. Thus, their reliance on bank lending in the Euro-currency markets correspondingly declined. Moreover, with the balance of payments of most industrial countries improving significantly during 1975, governments and other public authorities drastically scaled down their takings from the market. Substantial sums were raised, however, to finance exploration and development of new energy sources, particularly in the North Sea.

The growth of Euro-dollar lending was easily facilitated by a strong expansion of new supplies to the market. Unlike 1974, however, when OPEC countries were the principal source of additional deposits, the persistent easing of domestic monetary conditions in most industrial countries led to large-scale shifts of funds from their domestic money markets into the Euro-currency markets. Thus, the industrial countries became the major net source of funds, while the scale of new OPEC placements tapered off significantly as the combined external surplus of these countries deteriorated sharply.

By January 1975 market conditions were still clearly improving for prime borrowers. Loan spreads tended to narrow, amounts that could be syndicated increased, and maturities were lengthened. Over time, however, the major banks operating in the market had tended to view more cautiously the ability of some borrowers from developing countries to meet interest payments and redemption schedules on outstanding debt. In addition, outstanding loans to certain industries, especially for financing tankers, remained a continuing concern. As credit standards were tightened, there were increasing indications of a greater selectivity on the part of lenders with regard to participating in proposed new loans to various borrowers. Thus, in January 1976 syndicated medium-term bank credits slowed down, as the market attempted to digest the previous heavy volume of lending.

In the Euro-bond market, however, the rapid expansion of activity that accelerated during late 1975 carried over into the new year. With bond yields becoming increasingly attractive as short-term interest rates eased back much more sharply than long-term rates, institutional interest in new offerings of prime borrowers continued to be exceptionally high. Thus, public and private entities in many countries took advantage of favorable market conditions to place unprecedented amounts of new bond issues in international markets.

Moreover, foreign issues in the New York capital market, which had swelled to a record $7½ billion in 1975, remained heavy at $500 million in January 1976. Most of the borrowers were from the industrial countries, although some issues of developing countries with relatively favorable balance of payments positions were also well received. In addition, international and regional organizations borrowed substantial amounts to finance their increased lending to many of the countries that found it impossible to raise funds in the market.

Short-term interest rates in the interbank Euro-dollar market tended to follow closely movements of domestic rates in the United States. The 3-month Euro-dollar rate leveled off at around 7 per cent per annum in August, but then moved upward again in September to a peak of 8¼ per cent in early October. Thereafter, the rate began to decline sharply as U.S. monetary conditions turned easier, and after steadying at around 6½ per cent during November and December, the rate eased again to a 3-year low of 5½ per cent by the end of January, for a net decline of 1½ percentage points over the 6-month period. □

Statements to Congress

Statement by Richard A. Debs, First Vice President and Chief Administrative Officer, Federal Reserve Bank of New York, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, February 16, 1976.

The subject of these hearings—the Microdot case and the issues raised by it—presents many provocative and complex questions, none of which have simple answers. They touch upon a wide spectrum of public policy issues—ranging from policy governing business mergers and acquisitions to principles of fiduciary responsibility and safeguards against conflicts of interest. They range from broad policy considerations to the narrow application of rules of conduct and to specific findings of fact. They also involve the securities laws, the banking laws, and the general civil law itself, as well as codes of conduct and business ethics.

As a Federal Reserve official I intend, of course, to focus on the issues of this case relating to banks and banking. Before doing so, however, it would be useful to put these issues into better perspective by reviewing briefly some of the other—separate, but closely related—considerations involved.

To begin with, there is the issue of public policy toward mergers and acquisitions in general. In brief, I think it is fair to say that public policy does, and should, recognize the importance of mergers and acquisitions in contributing to the effective functioning of our economic system. Such acquisitions are, of course, subject to certain limitations—primarily in the antitrust laws that are designed to encourage competition, and in the securities laws that are designed to protect investors. Apart from such limitations, however, it seems clear that it is not public policy to discourage mergers and acquisitions in general.

The next question relates to public policy vis-a-vis unfriendly takeovers. This is a somewhat more complex question, but the basic economic issues are essentially the same as in any acquisition. The complexities arise because the acquisition is "unfriendly," which normally means that the management of the target company does not wish to have the company acquired. But public policy is not primarily concerned with the interests of management—whether of the bidders or of the target company. Public policy is concerned primarily with the interests of the public at large. Not the least of these broader public interests is a basic concern with the effective functioning of our competitive economic system. That system will not function effectively if incumbent managements of all firms—no matter how well or how poorly managed—are protected from tender offers that they do not accept, but which otherwise would be beneficial to the owners of the company or to the general public. Other things being equal, such acquisitions should be beneficial to the economy.

Of course, other things are not always equal, and because of that there is indeed a public policy issue here. That issue is whether shareholder interests are adequately protected under present laws and practices, and whether, in fact, the Nation's experience with unfriendly takeovers over the past several years indicates that they have been beneficial to the shareholders involved and to the economy in general. In addressing this issue, one of the central questions is whether shareholders are able to make rational and informed judgments in takeover situations.

This is an important question and is the subject of current study within the Congress. I don't know what the answer is, or will be, and there is no need to seek an answer within the context of these hearings today. However, it is important to agree on the basic policy issue involved:

that issue is not whether unfriendly takeovers are contrary to the public interest per se. The issue is, given the potential economic benefits of business mergers or acquisitions, what kinds of safeguards are necessary to prevent abuses, thereby protecting the interests of shareholders and the public in general?

I think it is important to state the issue in these terms in order to separate the public policy question on unfriendly takeovers from some of the other questions raised in the Microdot case, particularly as they relate to banking. If public policy on takeovers is to be neutral, banks should be able to finance them just as they would any other business transaction. If public policy is to discourage them, or to subject them to limitations, all parties involved—banks as well as others—should be subject to the same limitations.

To return to the present case, and the specific question of banking laws and practices, the issues here relate to conflicts of interest and the responsibilities of banks to their customers. The issues arise because we have a case where a bank grants a loan to one of its customers for the purpose of an unfriendly takeover of another customer. (By "customer," I mean a party with whom the bank has a credit relationship and who has given the bank confidential financial information in connection with that relationship.) The case also involves a situation in which three directors of the acquiring company are on the board of the bank or of its parent corporation, and a former officer of the bank is on the acquiring company's board. I would like to address each of these questions separately.

To begin with, when a bank deals with two of its customers in an unfriendly takeover situation, there is clearly a potential conflict of interest. It exists because there is the possibility that the bank may use confidential information given to it by one of its customers—the target company—to the detriment of that customer. As a general principle, it seems clear that a bank has an obligation to safeguard any confidential information given to it by a customer and not to use that information—without the customer's consent—for the benefit of any other party.

The fact that a bank finances an unfriendly takeover involving two customers does not, of course, mean that the bank has failed to meet its obligations. A bank can undertake such a transaction and not breach its obligations to the target customer so long as it maintains the confidentiality of the information given to it by that customer. The question of whether or not it has indeed maintained the confidentiality of the information is a question of fact.

The problem, of course, is that inherent in this situation is the potential for a conflict of interest. One of the legislative remedies that might be proposed to prevent such conflicts would be a law prohibiting bank participation in any unfriendly tender offer where two customers of that bank are involved. I do not believe that such legislation would be desirable or necessary. For one thing, it would severely limit the possibility of bank financing of a tender offer for the shares of a major firm. Large firms often have customer relationships with many of the major banks in the country. Such legislation would thus put large corporations in a specially protected position with regard to tender offers, since both the target company and the acquiring company would probably be customers of the same banks. Although very substantial sums of money would be required for such acquisitions, most major banks would be precluded from supplying such funds because of the customer relationships involved, and the supply of funds from smaller banks would be restricted by loan limits. Smaller corporations, with fewer major bank relationships, would not enjoy comparable protection.

Beyond such a discriminatory effect, I would be very concerned that such legislation could impede arrangements for the acquisition of major firms in serious financial difficulties. It is not hard to imagine situations in which the public interest would be better served by the acquisition of a major firm—even if the acquisition terms are unfriendly to the management of that firm—than by a continuation of a deteriorating situation. However, such firms are likely to be indebted to many banks, and a blanket prohibition on financing the acquisition of a customer could prevent the working out of a salvage operation that would be in the public interest.

As I said, I do not believe that such legislation would be desirable; and I also don't believe that it would be necessary because there are other remedies available. Before turning to them, however, I would like to review briefly the question of interlocking directorates, which is somewhat complicated in this case and sometimes confusing.

In its narrow sense, the issue of interlocking directorates in this case presents essentially the same problems of potential conflict of interest that exist in any case in which a bank finances an unfriendly takeover involving two customers. Regardless of whether the borrowing company is represented on the bank's board, the basic issue is the same: whether the bank—including its directors—uses confidential information entrusted to it by a customer for the benefit of the bank or any third party. The presence of the borrowing company's representatives on the bank board—and their influence on bank decisions—would be taken into account in determining the findings of fact as to whether the bank misused confidential information. But the basic issue is still whether, as a matter of fact, the bank did misuse such information and did thereby breach its obligation to a customer who had entrusted it with the information. Thus, the presence of interlocking directorates in a case such as this should not change the nature of the basic question.

I would like to turn now to the safeguards and remedies that are available in cases such as this. I would also like to note again the basic problem that these safeguards and remedies are meant to address. The problem, which is common to all of these situations we have discussed, is the potential for abuse that is inherent in any case where a bank may use confidential information entrusted to it by a customer for the benefit of other parties. To do so, it seems to me, would be a breach of that bank's obligation to that customer.

At the present time, there are three possible ways in which such abuses might be checked: the judicial process; the processes of the market place; and, to a limited degree, the bank supervisory process.

The judicial process is available to any party harmed by the action of a bank in improperly dealing with or otherwise misusing confidential information entrusted to it by the aggrieved party. There are no provisions in the banking laws that apply directly to abuses of this kind. But there are principles of common law that could provide remedies for parties harmed by such abuses. The courts are particularly well equipped to deal with such cases, since they would presumably involve critical findings of fact as to whether confidential information was indeed misused.

Another safeguard works through the private market place. A bank, like any other business enterprise, must have and maintain the confidence of its customers to survive. In the case of banks, however, the need for confidence is particularly essential and particularly delicate. There is a special relationship between banks and their customers that is based on confidence and trust in the bank itself and in the bank's commitment to safeguard the confidential affairs of its customers. If a bank does not maintain the highest standards of integrity in its dealings, that confidence and trust will be eroded, and the bank will suffer the consequences. A bank realizes this as it enters into areas of potential conflicts of interest, and wise bank management will make sure that the bank acts with the utmost probity in undertaking transactions that may be questioned because of possible appearances of abusing its trust. And it will do so not only because of its obligation to do so but also in recognition of the future impact upon the bank if it should lose the confidence of its customers. This is, of course, not a legal safeguard, nor does it offer a remedy to an aggrieved party in cases in which there has been a breach of that trust, but it should be recognized as an important constraint on the actions of banks in these circumstances.

Another possible avenue available is the bank supervisory process, although there are limitations on its use as a safeguard or remedy in a case such as this. The primary purpose of a bank examination, of course, is to ensure the safety and soundness of the bank. The examiner reviews the bank's transactions with this in mind. However, the examiner is also concerned with the quality of the bank's management. If, during the course of his review of the bank's loans, he discovers a situation in which the management has clearly misused confidential information or is otherwise involved in self-dealing, he can criticize the management in his report. Bank management is sensitive to such criticism, and the fact that management knows that its actions are subject to review in the examination process is in itself a constraint on its actions. However, there are limits to what the examiners can do—or should do—in such situations. Since the Federal banking laws do not deal with such cases, the bank probably cannot be cited in a violation of law.[1] This is not unlike other situations where banks may have breached their civil obligations—under the law of contracts, for example—but where they have not violated any provisions of the banking laws that impose specific penalties or sanctions upon them. Nor can an examiner—because of the nature of the bank examination process—cause a bank to reverse its action or to compensate a party harmed by its action. Thus, in this respect, the proper legal remedy for the aggrieved party lies in the judicial process.

All of these safeguards and remedies are available today to deal with the conflict of interest issues posed by this case. In the committee's considerations of any proposals for additional measures as a result of these hearings, I would hope, as indicated earlier, that a distinction will be maintained between the public policy issues relating to unfriendly takeovers and the specific questions that are posed by this case, which relate to potential conflicts of interest in situations involving bank financing of unfriendly takeovers where two bank customers are involved.

In this latter connection, it should be noted that under present law there is no Federal requirement that the name of the bank involved in such a financing need be disclosed to anyone, including the bank's customer that is the target company. When the basic law governing tender offers (Public Law 80–439) was being discussed in the Congress in 1967, the bill under study provided for the disclosure of all sources of financing for tender offers but with a specific exemption for banks. A question was raised as to whether such an exemption was necessary. It was finally decided that it would not be advisable to require that the names of the financing banks be disclosed in all tender offers. However, the committee adopted an alternative provision, which required that the name of the bank involved be filed with the Securities and Exchange Commission (SEC), but that "if the person filing such statement so requests, the name of the bank shall not be made public." That provision was incorporated into the law as it exists today.

Thus, this matter has been considered by the Congress before, and it was decided then that in general it would not be advisable to require the public disclosure of the names of the banks involved in tender offers. That judgment may well continue to be valid today. However, in view of the questions raised in the present case, it might be timely to reconsider this question as it applies to situations such as this, where the potential for a conflict of interest exists. Perhaps such a requirement might be implemented through the SEC's rules and regulations.

If there is any way in which we might assist the committee in exploring any of these issues further, we would be pleased to do so. □

Additional statements follow.

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[1] With the limited exception of such matters as loans by banks to their own executive officers (Section 22 (g) of the Federal Reserve Act) and cases involving such clear financial risk to the bank as to constitute "unsafe or unsound" banking practices (Section 8(b) of the Federal Deposit Insurance Act).

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, February 19, 1976.

I am pleased to meet once again with the Joint Economic Committee to present the views of the Board of Governors on the condition of the national economy.

A year ago, when I appeared at your hearings on the *Economic Report of the President,* our economy was already in the final stages of the most severe recession of the postwar period. Corrective forces--some internal to the economy, others emanating from governmental policies---were at work, and an upturn in business activity soon got under way.

Since last spring we have experienced a substantial economic recovery. According to present indications, the physical volume of our Nation's total production rose at an annual rate of 9 per cent during the second half of 1975.

The rebound of the industrial sector of our economy has been even stronger. Since last April the combined output of factories, mines, and power plants has increased at an annual rate of 11.5 per cent. The advance was initially most prominent in the textile, leather, paper, and chemical industries; but the scope of the recovery broadened in the fall and winter months and now includes a wide range of durable as well as nondurable goods.

As production rose, the demand for labor strengthened. With last month's sizable gain, total employment across the Nation has risen more than 2 million from its low point last March. This gain has been accompanied by a significant lengthening of the average workweek, particularly in manufacturing and mining. Meanwhile, the unemployment rate has come down from about 9 per cent to 7¾ per cent. The number of individuals out of work still remains deplorably high; but the new entrants or re-entrants into the labor force now account for a larger part of the unemployed total than 6 or 9 months ago, while job losers account for a substantially smaller part.

The rate of utilization of our industrial plant has also risen. In the major materials industries only 70 per cent of available plant capacity was effectively used during the first quarter of 1975. By the final quarter, utilization of capacity in these industries had climbed to 81 per cent, and it is now well above that average figure in industries such as textiles, where the recovery of production has been especially rapid.

As we look back, it is clear that the consumer led the way out of recession and into recovery. Early in 1975 when price concessions became fairly common, consumer purchases began to pick up. Consumer buying was further buttressed during the spring and summer months by tax rebates and supplementary social security checks.

Sustained demand for our exports also helped to pave the way for economic recovery. Of late, our foreign trade has increased substantially, and export markets nowadays absorb about an eighth of our total output of goods. The strong competitive position achieved by the United States in world markets during the past 2 or 3 years played an important role in cushioning the recent decline of our economy.

Thus, with sales to both foreigners and American consumers well maintained, business firms were able to make good progress last year in clearing their shelves of excess inventories. By early summer, stocks had come into reasonable balance with sales in most consumer lines, and many firms engaged in retail and wholesale trade therefore began to rebuild inventories. At the same time, the pace of inventory liquidation slowed considerably in the manufacturing sector. For all nonfarm businesses liquidation of inventories receded from an annual rate of about $30 billion in the second quarter to a rate of $6 billion in the third and fourth quarters of last year. This readjustment in business inventories has been a major factor in the recovery of our Nation's production of goods and services.

Last fall the rate of advance in economic activity slowed for a very brief period. But the pace quickened toward the year-end, and the economy entered 1976 on a strong upward trend. In December industrial output rose almost 1 per cent and another increase of 0.7 per cent occurred last month---with gains widely distributed among consumer goods, business equipment, and other major sectors. The market for jobs also continued its improvement. In fact the number of manhours worked in private nonfarm industries increased at an annual rate of more than 8 per cent in December and January.

With employment and incomes rising swiftly, consumers began buying more liberally, as is evident from the recent surge in retail sales. In December retail sales rose almost 3 per cent on a seasonally adjusted basis, and they have continued at a high level since then. Sales of domestic automobiles last month reached the highest level since August 1974.

This upsurge of consumer spending has resulted in further reduction of business inventories, so that the ratio of inventories to sales is now unusually low at most retail outlets and also at manufacturing establishments producing nondurable goods. Businessmen are still reluctant to reorder in volume until they are more confident that recovery is taking hold. But with sales continuing to increase, they will soon need to rebuild inventories to levels consistent with the improved pace of consumer buying. It should not be surprising if orders and production advance rather briskly in the months just ahead. Indeed, accumulation of needed inventories may act as a significant stimulus to recovery throughout most of this year.

Prospects for residential construction also have improved. Prices of new homes remain exceedingly high, and this is bound to limit the recovery in homebuilding. Of late, however, builders have begun to place more emphasis on smaller—or semifinished—homes, and thereby have broadened their markets. The inventory of unsold units—especially in the single-family sector—has declined, and the vacancy rate for rental units fell sharply during the final quarter of last year. Furthermore, lenders are amply supplied with funds, and mortgage credit is now readily available. Over the course of 1976, housing starts are therefore likely to extend significantly the gains already made during 1975.

Exports, too, will probably register further improvement this year. Economic recovery is finally under way in Japan and other industrial countries, and as it gathers momentum, the demand for our exports should intensify. However, the foreign trade balance is likely to narrow this year, because our own economic expansion will lead to an enlarged demand for imports—including products, such as petroleum and industrial supplies, that fell off sharply during the recession.

Business capital spending can also be expected to contribute to economic expansion in the year ahead. Recent developments in this sector have been mixed. Production of business equipment has risen in each of the past 3 months—as sales of farm implements, mining and oil field equipment, and some other kinds of industrial machinery have advanced. Investment in new structures by public utilities has also risen. Nevertheless, some indicators of business capital spending remain rather weak. New orders for nondefense capital goods have risen only modestly since last spring, and contract awards for commercial and industrial buildings have yet to show any improvement.

Business fixed investment, however, often lags behind other major categories of demand during the early stages of a recovery. With rates of capacity utilization increasing, corporate profits moving up strongly, the stock and bond markets improving, and business confidence gaining, we can reasonably expect considerable strengthening this year of business plans for buying new equipment and building new facilities—as normally happens in the course of a business cycle expansion.

The precise magnitude of the recovery in business investment outlays will depend to a large degree on the vigor of consumer markets. Businessmen across our land are still making plans for the future with great caution. While the recent improvement in consumer buying has been encouraging, the present more optimistic mood of consumers could be destroyed by a new burst of inflation. Any resurgence in the pace of inflation this year would pose a threat to consumer and business confidence and thus to the further recovery of economic activity that is so urgently needed.

Our Nation made notable progress last year in reducing the rate of inflation. The rise in consumer prices came down to 7 per cent, about half the rate recorded in 1974. The rise in wholesale prices slowed down even more. Some of this improvement stemmed from the absence of powerful special factors—such as the quadrupling in prices of imported oil, short supplies of agricultural commodities, and the termination of wage and price controls, all of which drove up prices in 1974. However, the slowdown in the rate of price advance last year—particularly during the first half—also reflected slack demand in product markets and increased competitive pressures.

The progress made in 1975 on the price front still left us a long way from our national goal of general price stability. Moreover, some worsening seems to have taken place in recent months in the rate of inflation. Since the middle of 1975, wholesale prices of industrial commodities have increased on the average at an annual rate of more than 8 per cent, compared with 3.5 per cent in the first half of last year. The advance of consumer prices has quickened only a little—from an annual rate of 6.6 per cent in the first half of 1975 to 7.5 per cent in the final 6 months. Even so, the apparent reversal of the trend toward lower price increases is a troublesome sign.

The trend of wage increases, while understandable, is also disturbing. Last year wage rates rose on the average by 8 per cent—far above the long-term rate of growth in productivity. This year major collective bargaining agreements covering almost twice as many workers as in 1975 will need to be negotiated. If wage settlements in major industries exceed those of 1975—when wage and benefit increases for the first year already averaged around 11 per cent—a new explosion of wages, costs, and prices may be touched off.

Some step-up in the rate of inflation was perhaps unavoidable in view of the vigor of economic recovery. As the recovery proceeds, however, it is clearly the responsibility of Government to manage economic policies so that a new wave of inflation is avoided.

Our country is now confronted with a serious dilemma. Over 7 million people are still unemployed. Many of them have been seeking work for an extended period; the average duration of unemployment is nearly 17 weeks. The hardship created by unemployment has increased for those whose unemployment benefits have been exhausted. More jobs are clearly needed—not only for workers who are now unemployed but also for those who will soon be entering the labor force.

In the current inflationary environment, the conventional tools of stabilization policy cannot be counted on to restore full employment. Recent experience both in our own and other industrial countries suggests that once inflation has become ingrained in the thinking of a nation's businessmen and consumers, highly expansionist monetary and fiscal policies do not have their intended effect. In particular, instead of fostering larger consumer spending, they may lead to larger precautionary savings and sluggish consumer buying. The only sound fiscal and monetary policy today is a policy of prudence and moderation.

One of the urgent tasks facing our Nation is to end the persistent Federal deficits that have been a major source of our inflationary problem. Since 1960 the Federal budget has been in deficit in every year but one. The cumulative deficit in the unified budget over the past 10 years, including the official estimate for the current fiscal year, comes to $217 billion. If the spending of off-budget agencies and Government-sponsored enterprises is taken into account, the aggregate deficit for the 10 years amounts to almost $300 billion.

This sorry record of deficit financing means, of course, that we as a people have been unwilling to tax ourselves sufficiently to finance the recent sharp increases of governmental spending. In this bicentennial anniversary of our Nation's independence, we would do well to reflect on the fact that it took all of 186 years for the annual total of Federal expenditures to reach the $100 billion mark. This occurred in fiscal year 1962. Only 9 years later, in fiscal 1971, expenditures already exceeded $200 billion. Four years from that date, in fiscal 1975, the $300 billion mark was passed. And unless expenditures are held under a very tight rein, Federal spending will easily exceed the $400 billion level in fiscal 1977.

The President's budgetary program for the coming fiscal year, taken on an over-all basis, would go far toward breaking the spiral of Federal spending, which has been so largely responsible for the 10-year stretch of inflation that culminated in the deep recession from which we are now emerging. The proposed budget would limit the rise of spending in fiscal 1977 to 5.5 per cent, compared with an average yearly increase of 12 per cent over the previous 5 years. The Federal deficit is projected to decline from $76 billion in the current fiscal year to $43 billion in the next, with a balanced budget finally in view by fiscal 1979.

Some well-meaning citizens are now urging the Congress to provide added fiscal stimulus in the interest of speeding the return to full employment. I would warn this committee that still larger Federal expenditures and a bigger deficit may fail of their purpose. A deeper deficit would require the Treasury to rely more heavily on credit markets, thus drawing on funds badly needed for homebuilding and business capital formation. Worse still, a significantly larger deficit would revive fears of accelerating inflation and would weaken the confidence of businessmen and consumers that is essential to the restoration of general prosperity.

Moderation in monetary policy is also needed to bolster confidence in the economic future. That is why the Federal Reserve has been so diligently seeking to foster a financial climate conducive to a satisfactory recovery, but at the same time to minimize the chances of rekindling inflationary fires.

Since last spring, growth rates of the major monetary aggregates—while varying widely from month to month—have generally been within the ranges specified by the Federal Reserve in its periodic reports to the Banking Committees of the Congress. On a seasonally adjusted basis, the quarterly average level of M_1—that is, currency plus demand deposits held by the public—rose over the last three quarters of 1975 at an annual rate of 5.7 per cent. M_2, which also includes time and savings deposits at commercial banks other than large certificates of deposit, rose at a rate of 9 per cent. A still broader monetary composite, M_3, which also includes deposits at thrift institutions, rose at a rate of 12 per cent.

These increases in the monetary aggregates were accompanied, as we expected, by a sharp rise in the turnover of money balances. The rising velocity of money has not, however, been associated with higher rates of interest or developing shortages of credit—as some critics of Federal Reserve policy had predicted. On the contrary, conditions in financial markets have continued to ease and are more comfortable now than at any time in the past 2 years.

There is a striking contrast between the movement of interest rates during the current recovery and their behavior in past cyclical upswings. Short-term interest rates normally begin to move up at about the same time as the upturn in general business activity, although the rise varies from one cycle to another. In the current economic upswing, a vigorous rebound of activity, a continuing high rate of inflation, and a record volume of Treasury borrowing might well have been expected to exert strong upward pressures on short-term interest rates. However, after some run-up in the summer months of last year, short-term rates turned down again last fall and since then have declined to the lowest level since late 1972. Long-term rates have also moved down; yields on high-grade new issues of corporations are now at their lowest level since early 1974.

Conditions in financial markets thus remain favorable for economic expansion. Interest rates are generally lower than at the trough of the recession. Savings flows to thrift institutions are still very ample, and commitments of funds to the mortgage market are continuing to increase. Mortgage interest rates are therefore edging down.

Moreover, the stock market has been staging a dramatic recovery. The average price of a share on the New York Stock Exchange at present is about 60 per cent above its 1974 low. A large measure of financial wealth has thus been restored to the millions of individuals across our land who have invested in common stocks. Besides this, the advance in stock prices has made it considerably easier for many firms to raise equity funds for new investment programs or for restoring their capital cushions.

In general, the liquidity position of our Nation's financial institutions and business enterprises is now much improved. Corporations issued a record volume of long-term bonds last year and used the proceeds to repay short-term debts and to acquire liquid assets. Commercial banks reduced their reliance on volatile funds and added a large quantity of Federal securities to their asset portfolios. The liquidity position of savings banks and savings and loan associations has likewise been strengthened.

The market for State and local government securities was, of course, adversely affected by the New York City financial crisis. Even in this market, however, interest rates are now well below their 1975 highs, and the volume of securities issued has remained relatively large. The difficulties of New York City, moreover, have had a constructive influence on the financial practices of State and local governments—as well as on other economic units—throughout the country. The emphasis on sound finance that is now under way enhances the chances of achieving a lasting prosperity in our country.

These notable accomplishments in financial markets indicate, I believe, that the course of moderation in monetary policy pursued by the Federal Reserve last year has contributed to economic recovery. The Board was pleased to learn that the Senate Banking Committee in its recent "Report on the Conduct of Monetary Policy" agrees with this view.

Last spring when the Federal Reserve first announced its projected growth ranges for the monetary aggregates, concern was expressed by some economists, as well as by some members of the Congress, that the rates of monetary growth we were seeking would prove inadequate to finance a good economic expansion. Interest rates would rise sharply, it was argued, as the demand for money rose with increased aggregate spending, and shortages of money and credit might soon choke off the recovery.

We at the Federal Reserve did not share this pessimistic view, and our judgment has been borne out by experience. We knew that the turnover of money is apt to increase rapidly with a return of confidence. We knew also that financial technology has been changing, that the innovative process has accelerated of late, and that significant economies in the handling of cash balances were therefore being effected.

The developments that have recently fostered economizing on the sums held as currency or demand deposits include the spread of overdraft facilities at banks, increased use of credit cards, the growth of negotiable order of withdrawal (NOW) accounts in New Hampshire and Massachusetts, the emergence of money market mutual funds, the development of telephonic transfers of funds from savings to checking accounts, and the growing use of savings deposits to pay utility bills, mortgage payments, and other obligations. One very recent development that has had a considerable downward influence on the level of demand deposits was the regulation issued by the banking agencies last November, which enabled partnerships and corporations to open savings accounts at commercial banks in amounts of up to $150,000.

The relatively slow rate of growth in demand deposits during recent months has been watched carefully by the Federal Reserve. In view of the rather rapid pace of economic expansion, the relative ease of financial markets, and the absence of any evidence of a developing shortage of money and credit, we have been inclined to view the recent sluggish rate of expansion in M_1 as reflecting the influence of various factors that are reducing the amount of narrowly defined money needed to finance economic expansion. However, since it is impossible to project the scale on which further economies may be realized, we have taken steps to ensure that the rate of monetary expansion does not slow too much or for too long.

During the past 3 months or so, open market policies have therefore been somewhat more accommodative in the provision of reserves to the banking system. This has been reflected in a decline of the Federal funds rate to around 4¾ per cent. Last month the discount rate was lowered from 6 to 5½ per cent. And on two occasions—in mid-October and again in late December—the Board reduced reserve requirements. These reductions were aimed principally at encouraging a further lengthening of the maturities of time deposits at member banks, but they also released nearly $700 million of reserves and thus enabled banks to support a higher level of money balances.

In taking these steps, our objective has been to stay on a course of monetary policy that will continue to support a good rate of growth in output and employment, while avoiding excesses that would aggravate inflation and create trouble for the future. As I indicated in testimony before the House Banking Committee earlier this month, the Federal Open Market Committee has projected growth ranges of the monetary aggregates for the year ending in the fourth quarter of 1976 that differ only a little from those announced previously.

We believe that the monetary growth ranges we have projected will prove adequate to finance a good expansion of economic activity in 1976. But the uncertainties that at present surround monetary developments, particularly the behavior of M_1, will require a posture of exceptional vigilance and flexibility by the Federal Reserve in the months ahead.

Before closing I would remind this committee that fiscal and monetary policies alone cannot be expected to achieve our economic goals in the current economic and financial environment. Structural policies can make a significant contribution to the restoration of full employment and also to correcting the long-run inflationary bias in our economy. In the time remaining, let me briefly sketch several lines of attack that seem promising.

First, governmental efforts are long overdue to encourage improvements in productivity through larger investment in modern plant and equipment. This objective would be promoted by overhauling the structure of Federal taxation so as to increase incentives for business capital spending and for equity investments in American enterprises.

Second, we should face up to the fact that environmental and safety regulations have in recent years run up costs and prices and have held up industrial construction across our land. Progress toward full employment and price stability would be hastened by stretching out the timetables for achieving our environmental and safety goals.

Third, a vigorous search should be made for ways to enhance price competition among our business enterprises. The Congress is to be commended for putting an end to the so-called fair trade laws. It would be desirable to go further and reassess the entire body of laws directed against restraint of trade by business firms and to improve the enforcement of such laws. We also need to reassess the highly complex governmental regulations affecting transportation and the many other laws and practices that impede the competitive process.

Fourth, governmental policies that affect labor markets have to be reviewed. There are grounds for thinking that the Federal minimum wage law is pricing many teenagers out of the job market, that the Davis-Bacon Act is serving to escalate construction costs, and that programs for income maintenance now provide benefits on such a generous scale that they may be blunting incentives to work. High unemployment and numerous job vacancies still exist side by side—perhaps because job seekers are unaware of the opportunities, or because the skills of the unemployed are not suitable, or for other reasons. Better results could be achieved with more effective job banks, more realistic training programs, and other labor market policies.

Finally, we need to think through the appropriate role of a limited incomes policy in the present environment. Recent experience has emphatically demonstrated that lasting benefits cannot be expected from comprehensive or mandatory wage and price controls. However, a policy that would permit modest delay in key wage or price increases, thus creating opportunity for quiet governmental intervention or for public hearings and the mobilization of public opinion, may yet be of significant benefit in reducing abuses of private economic power and moving our Nation toward the goal of full employment and a stable price level.

Under current conditions, the return to full employment will have to depend rather heavily on policies that serve to reinvigorate competition and release the great energies of our people. That is why structural aspects of our economy deserve more attention from members of the Congress and other students of public policy than they are as yet receiving. In the Board's judgment, wise structural policies in conjunction with moderate fiscal and monetary policies offer the best hope for the attainment of a lasting prosperity. □

Statement by Philip C. Jackson, Jr., Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, March 11, 1976.

Mr. Chairman, I am pleased to present this statement on behalf of the Board of Governors concerning its activities pursuant to Sections 805 and 808(c) of Title VIII of the 1968 Civil Rights Act.

The Board has responded by letter at some length to a number of questions that the committee has asked. Should the committee have further questions, we would be pleased to respond to them.

The Board has viewed affirmatively its responsibilities to foster nondiscriminatory lending practices in the financing of housing by State member banks under its supervision. The Board has worked with the Secretary of Housing and Urban Development and other agencies in the Secretary's role as the principal agent for enforcement of this title of the act. We have also worked in a positive way toward securing recognition by member banks of nondiscriminatory lending policies in the financing of housing as a proper role for all institutions.

Very few complaints have been received by the Federal Reserve System to date regarding possible violations by State member banks of the statute. In those instances where complaints have been received, the Board has investigated the nature of the complaint. It has worked in the spirit of this title of the civil rights statute toward conciliating any differences that may have arisen and has not found it necessary to initiate any formal proceedings against any lender that was the subject of a complaint.

The Board has worked toward a better factual understanding of the degree of possible discriminatory lending practices that may exist in residential lending. Unfortunately, our participation in a large study of residential lending practices did not produce conclusive findings as to whether or not discrimination in mortgage lending had been present during the second half of 1974.

The requirements of the Civil Rights Act of 1968 are included in the System's training for its examiners. Each bank examined is checked for compliance with the act as part of our normal examination routine. This is done in connection with our responsibility for enforcement of a wide range of other statutes applicable to State member banks.

The Board of Governors actively works to prevent discriminatory lending practices in a much broader context than that provided by Title VIII of the 1968 Civil Rights Act. As the committee knows, the Board is the agency responsible for regulations under the Home Mortgage Disclosure Act and the Equal Credit Opportunity Act of 1975. This latter act presently provides that no applicant shall be discriminated against in any aspect of any credit transaction due to the applicant's sex or marital status. The Board's responsibilities under the Equal Credit Opportunity Act would be expanded to cover additional bases of discrimination under bills presently being considered by the Congress. These bases include race, color, religion, or national origin, all of which were part of the original prohibitions of the Civil Rights Act. The provisions of the Equal Credit Opportunity Act would also be amplified to include the beneficiaries of public assistance and those persons who utilize the benefits of the consumer credit protection statutes.

In its implementation of the Equal Credit Opportunity Act, the Board will pursue the goal of nondiscrimination not only in housing credit but in all of the credit transactions covered under that act. If, as we expect, the Equal Credit Opportunity Act amendments come to fruition, we foresee a need to revise the implementation of Title VIII of the 1968 Civil Rights Act in order to broaden the scope of our enforcement efforts. To do so may call for fresh approaches toward enforcement that can be better understood after the new requirements are legislated and regulations are adopted covering them.

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON JANUARY 20, 1976

Domestic Policy Directive

The information reviewed at this meeting suggested that output of goods and services (real gross national product) had expanded at an annual rate of about 5.5 per cent in the fourth quarter of 1975—compared with a rate of about 12 per cent in the third quarter—and that the rise in prices had been somewhat less rapid than the average rate over the first three quarters of the year. Staff projections suggested that growth in output would moderate somewhat further in the first half of 1976 and that the rate of increase in prices would change little.

In December retail sales had risen sharply, according to the advance report, reflecting a strong increase in sales of automobiles and widespread gains in sales among other categories of goods; however, the increase in the fourth quarter as a whole was less than that in the third quarter. The rise in industrial production and in nonfarm payroll employment, which had slowed over the preceding 2 months, accelerated in December, and the average workweek in manufacturing lengthened considerably. However, the unemployment rate remained at 8.3 per cent, as growth in the civilian labor force about matched that in total employment.

The index of average hourly earnings for private nonfarm production workers was unchanged in December, following 2 months of large increases, and the rise during the fourth quarter was slightly less than that during the third quarter. Increases in wholesale prices of industrial commodities were pervasive in December, as in November, and the over-all rise remained relatively large. However, average wholesale prices of farm products and foods declined sharply further. In November the rise in the consumer price index had continued at the accelerated pace of October, in large part because of substantial increases in prices of services.

Staff projections of real output in the first half of 1976 were similar to those of 5 weeks earlier. They suggested that consumption expenditures would expand at a moderate pace, that residential construction and business fixed investment would continue to recover, and that business inventory accumulation would be at a moderate rate. However, exports were projected to rise less than imports.

The exchange value of the dollar against leading foreign currencies held steady in December, but in early January it eased somewhat, mainly in response to declines in U.S. interest rates. In November both merchandise exports and imports changed little, and the foreign trade surplus was again sizable.

Total loans and investments at U.S. commercial banks—which had expanded considerably in November—declined appreciably in December. Banks again added to their holdings of Treasury securities, but holdings of other securities and outstanding loans to businesses declined. The outstanding volume of commercial paper issued by nonfinancial corporations increased only a little, and total short-term business borrowing declined. During the period from mid-December to mid-January most banks reduced the prime rate applicable to large business borrowers from 7¼ to 7 per cent, and one major bank reduced it to 6¾ per cent.

M_1 declined in December, and growth in M_2 and M_3 slowed considerably.[1] At commercial banks, inflows of time and savings deposits other than large-denomination CD's slackened, while inflows of deposits to nonbank thrift institutions were relatively well maintained. Some portion of the inflows of such deposits to banks in December, as in November, was attributable to expansion in business accounts resulting from amendments to Federal Reserve regulations, effective November 10, that permitted corporations, partnerships, and other profitmaking organizations to maintain savings accounts of up to $150,000 at member banks. To a considerable extent the funds placed in these business savings accounts appeared to have been shifted out of demand deposits.

On the basis of quarterly average data, M_1 grew at an annual rate of about 2½ per cent in the fourth quarter, compared with a rate of about 7 per cent in the third quarter. M_2 and M_3, respectively, grew at annual rates of about 6½ and 8½ per cent

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[1] M_1 is composed of private demand deposits and currency in circulation; M_2 includes M_1 and commercial bank time and savings deposits other than large-denomination CD's; and M_3 includes M_2 and deposits at nonbank thrift institutions (savings and loan associations, mutual savings banks, and credit unions).

in the fourth quarter, compared with rates slightly above 10 and 13 per cent in the preceding quarter.[2]

On December 24 the Board of Governors announced a reduction from 3 per cent to 2½ per cent in reserve requirements on time deposits maturing in 180 days to 4 years. The action—which released about $320 million in reserves to the banking system in the week beginning January 8—was in line with previous Board decisions designed to encourage member banks to lengthen the structure of their deposit liabilities.

System open market operations in the inter-meeting period had been guided by the Committee's decision to maintain the bank reserve and money market conditions prevailing at the time of the December meeting, provided that monetary aggregates appeared to be growing at about the rates then expected. Data that became available week by week after the December meeting suggested that in the December–January period M_1 and M_2 would grow at rates below the lower limits of the ranges of tolerance that had been specified by the Committee. Accordingly, near the end of December, the System began to direct operations toward some easing in bank reserve and money market conditions. By January 12 the Federal funds rate had declined from the neighborhood of 5¼ per cent—the level prevailing at the time of the December meeting—to an area of 4¾ to 4⅞ per cent. The range that had been specified by the Committee was 4½ to 5½ per cent.

Subsequently, a majority of Committee members concurred in Chairman Burns' recommendation of January 12 that the Manager be instructed to hold the weekly-average Federal funds rate at the approximate level of 4¾ per cent until the time of this meeting. In the remaining days, the rate was close to 4¾ per cent.

Both short- and long-term market interest rates declined appreciably over the inter-meeting period, in response to System policy actions and to a growing view among participants in financial markets that credit demands in the months ahead would not be

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[2] Revised measures of the monetary aggregates, reflecting new benchmark data for deposits at nonmember banks and revised seasonal factors, were published on Jan. 22, 1976. On the basis of the revised figures, fourth-quarter growth in M_2 and M_3 was at annual rates of about 6 and 9 per cent, respectively; fourth-quarter growth in M_1 remained at about 2½ per cent.

so large as to place strong upward pressures on interest rates. On the day before this meeting the market rate on 3-month Treasury bills was 4.87 per cent, down from 5.51 per cent on the day before the December meeting. Effective January 19, Federal Reserve discount rates were reduced from 6 to 5½ per cent at 11 Reserve Banks; shortly afterward, the rate was reduced at the remaining Bank.

At this meeting the Committee reviewed the 12-month ranges—covering the period from the third quarter of 1975 to the third quarter of 1976—that had been agreed upon at the October meeting and considered the ranges that would be appropriate for the period from the fourth quarter of 1975 to the fourth quarter of 1976.

In the discussion, it was noted that from the third to the fourth quarter of 1975 rates of growth in the monetary aggregates, particularly M_1, had fallen short of the 12-month ranges adopted at the October meeting. It was also noted, however, that from March to June and from the second-quarter average to the third-quarter average monetary growth had been somewhat high relative to the ranges that had been specified by the Committee in April and July, respectively. From both March and the second-quarter average to the fourth-quarter average, growth in M_1, M_2, and M_3 was, respectively, around the lower end, near the middle, and around the upper end of the ranges that had been specified earlier. Moreover, a part of the fourth-quarter shortfall in growth of M_1 appeared to be attributable to a decline in the demand for checking deposits, especially because of the shift in business deposits from demand accounts to savings accounts. Businesses were expected to continue to substitute savings accounts for demand deposits over the year ahead, although at a slower pace than in recent weeks. For that reason, and also because of other indications that demand deposits were being used more efficiently, the Committee decided to reduce the lower limit of the longer-run range specified for M_1 from 5 per cent to 4½ per cent. Thus, the range specified for M_1 was 4½ to 7½ per cent. The ranges specified for M_2 and M_3—namely, 7½ to 10½ per cent and 9 to 12 per cent, respectively—were unchanged from those adopted in October. The associated range for growth in the bank credit proxy was 6 to 9 per cent.

It was understood that the longer-term ranges, as well as the particular list of aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings. It was also understood that, as a result of short-run factors, growth rates from month to month might well fall outside the ranges contemplated for annual periods.

In the discussion of current policy at this meeting, the Committee took note of a staff analysis suggesting that for the period immediately ahead uncertainty about the behavior of the demand for money was greater than usual. The extraordinary rise in the turnover (income velocity) of M_1 that had occurred so far in this economic recovery seemed unlikely to continue; thus, the projected increase in nominal GNP could lead to a strengthening of the demand for demand deposits and currency, even though business savings accounts were expected to grow further.

The staff analysis suggested that basic factors accounting for the sharp reduction in the demand for money relative to income in the latter half of 1975 were not fully understood; thus, there was considerable uncertainty as to the timing, strength, and duration of any rebound in money demand. In particular, it was difficult to assess how rapidly the public would take advantage of the continuing improvements in financial technology—such as the availability of savings accounts to businesses and of telephonic transfer between savings and demand accounts—that were facilitating economization of cash balances. Finally, an internal staff review of seasonal adjustment procedures indicated that alternative, reasonable methods of adjustment produced significantly different seasonal factors for individual months and for 2-month periods. Because the money stock was subject to a variety of transitory influences, seasonal factors were uncertain and the significance of short-run variations in growth rates within a fairly wide range was limited.

In view of the current uncertainties regarding the behavior of the monetary aggregates, many members advocated that the Committee continue to give greater weight than usual to money market conditions in conducting open market operations in the period until the next meeting and that it specify 2-month ranges of tolerance for growth in the monetary aggregates that were wider than usual. Some members preferred to give greater emphasis to variations in the behavior of the monetary aggregates relative to expectations, and the suggestion was also made that more weight be given to the behavior of M_2 relative to that of M_1 than had been the case in the past.

The Committee decided that operations in the period immediately ahead should be directed toward maintaining the bank reserve and money market conditions now prevailing, provided that monetary aggregates appeared to be growing at rates not far from those currently expected. The members concluded that growth in M_1 and M_2 over the January–February period at annual rates within ranges of tolerance of 4 to 9 per cent and 7 to 11½ per cent, respectively, would be acceptable.[3] Mainly because the outstanding volume of large-denomination CD's was projected to decline substantially over the 2-month period, it was expected that these growth rates for the monetary aggregates would be associated with an annual rate of decline in reserves available to support private nonbank deposits (RPD's) between 2 and 7 per cent. The ranges of tolerance were wider than those customarily specified.

It was contemplated that System operations until the next meeting would be directed toward maintaining the weekly-average Federal funds rate at about its current level of 4¾ per cent, unless rates of growth in the monetary aggregates appeared to be approaching the limits of their specified ranges. The members agreed that, should the aggregates appear to be deviating significantly from expectations, the weekly-average funds rate might be expected to vary in an orderly fashion within a range of 4¼ to 5 per cent.

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

> The information reviewed at this meeting suggests that output of goods and services—which had increased very sharply in the third quarter of 1975—expanded more moderately in the fourth quarter. In December retail sales rose sharply, but the increase in the fourth quarter as a whole was less than that in the third quarter. After having slowed over the preceding 2 months, the rise in industrial production and in nonfarm payroll employment accelerated in December. However, the unemployment rate remained at 8.3 per cent, as the civilian labor force grew about as much as total employment. The increase in average wholesale prices of

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[3] The ranges of tolerance were based on the new seasonal adjustment factors published on Jan. 22, 1976.

industrial commodities was again relatively large, but average prices of farm products and foods declined sharply further. The index of average wage rates was unchanged in December, following 2 months of large increases.

The exchange value of the dollar against leading foreign currencies held steady in December but eased somewhat in early January. Another sizable foreign trade surplus was registered in November.

M_1 declined in December, and growth in M_2 and M_3 slowed considerably. At commercial banks, inflows of time and savings deposits other than large-denomination CD's slowed, despite a continuing build-up of business savings accounts, while inflows of deposits to nonbank thrift institutions were relatively well maintained. In terms of quarterly averages, growth in M_1 from the third to the fourth quarter was modest, while growth in M_2 and M_3 was more substantial. In recent weeks interest rates on both short- and long-term securities have declined appreciably. In mid-January Federal Reserve discount rates were reduced from 6 to 5½ per cent.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions that will encourage continued economic recovery, while resisting inflationary pressures and contributing to a sustainable pattern of international transactions.

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to maintain prevailing bank reserve and money market conditions over the period immediately ahead, provided that monetary aggregates appear to be growing at about the rates currently expected.

> Votes for this action: Messrs. Burns, Volcker, Baughman, Coldwell, Eastburn, Holland, Jackson, MacLaury, Mayo, Mitchell, Partee, and Wallich. Votes against this action: None.

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Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's *Annual Report*, are released about 45 days after the meeting and are subsequently published in the BULLETIN.

Law Department

Statutes, regulations, interpretations, and decisions

State Taxation of Depositories Act

An Act of Congress approved February 27, 1976, extended the State Taxation of Depositories Act and amended the Truth in Lending Act.

AN ACT

To Extend the State Taxation of Depositories Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of the State Taxation of Depositories Act (section 7(c) of Public Law 93–100) is amended by striking out "January 1, 1976" and inserting in lieu thereof "September 12, 1976".

SEC. 2. Section 2(a) of Public Law 93–100 (12 U.S.C. 1832(a)) is amended by inserting after "Massachusetts" a comma and the following: "Connecticut, Rhode Island, Maine, Vermont,".

SEC. 3. (a) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by redesignating subsections (p), (q), and (r) as subsections (r), (s), and (t), respectively, and by adding after subsection (o) the following:

"(p) The term 'discount' as used in section 167 means a reduction made from the regular price. The term 'discount' as used in section 167 shall not mean a surcharge.

"(q) The term 'surcharge' as used in section 103 and section 167 means any means of increasing the regular price to a cardholder which is imposed upon customers paying by cash, check, or similar means.".

(b) Section 130(f) of the Truth in Lending Act (15 U.S.C. 1640(f)) is amended to read as follows:

"(f) No provision of this section or section 112 imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretations or approvals under such procedures as the Board may prescribe therefor, notwithstanding that after such act or omission has occurred, such rule, regulation, interpretation, or approval is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.".

(c)(1) Section 167(a) of the Truth in Lending Act (15 U.S.C. 1666f) is amended by inserting "(1)" immediately after "(a)" and by adding at the end thereof the following new paragraph:

"(2) No seller in any sales transaction may impose a surcharge on a cardholder who elects to use a credit card in lieu of payment by cash, check, or similar means.".

(2) The amendment made by paragraph (1) shall cease to be effective upon the expiration of three years after the date of enactment of this Act.

(d) Section 171 of the Truth in Lending Act (15 U.S.C. 1666j) is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provisions of this title, any discount offered under section 167(b) of this title shall not be considered a finance charge or other charge for credit under the usury laws of any State or under the laws of any State relating to disclosure of information in connection with credit transactions, or relating to the types, amounts or rates of charges, or to any element or elements of charges permissible under such laws in connection with the extension or use of credit."

Membership of State Banking Institutions in the Federal Reserve System

The Board of Governors has amended its Regulation H to implement a grace period concerning real estate loans made by State member banks in identified flood hazard areas of communities that are not participating in the National Flood Insurance Program.

Effective February 26, 1976, section 208.8(e)(5) is amended as follows:

Section 208.8—Banking Practices

* * * * *

(c) **Loans by State member banks in identified flood hazard areas.**

* * * * *

(5) * * *Provided, that the prohibition contained in this section shall not apply to any loan made prior to March 1, 1976, if the loan is made to finance the acquisition of a previously occupied residential dwelling.

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Foreign Activities of National Banks

The Board of Governors has amended its Regulation M to prevent duplication of Euro-dollar reserve requirements when a foreign branch lends to a corporation operating under section 25 or 25(a) of the Federal Reserve Act that is maintaining reserves on such credit under § 211.7(c) of Regulation K, and when a foreign branch lends to a foreign-owned U.S. banking institution that is voluntarily maintaining member bank reserves on such credit pursuant to the Board's requests of June 1, 1973 and April 9, 1975.

Effective February 6, 1976, section 213.7(b) is amended to read as follows:

Section 213.7—Reserves Against Foreign Branch Deposits

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(b) **Credit extended to United States residents.** During each week of the four-week period beginning May 22, 1975, and during each week of each successive four-week maintenance period, a member bank having one or more foreign branches shall maintain with the Reserve Bank of its district, as a reserve against its foreign branch deposits, a daily average balance equal to 4 per cent of the daily average credit outstanding from such branches to United States residents[7] (other than assets acquired and net balances due from its domestic offices) during the four-week computation period ending on the Wednesday fifteen days before the beginning of the maintenance period: *Provided*, That this paragraph does not apply to credit extended (1) in the aggregate amount of $100,000 or less to any United States resident, (2) by a foreign branch which at no time during the computation period had credit outstanding to United States residents exceeding $1 million, (3) to enable the borrower to comply with the requirements of the Office of Foreign Direct Investments, Department of Commerce,[8] (4) under binding commitments entered into before May 17, 1973, or (5) to an institution that will be maintaining reserves on such credit under § 204.5(c) of Regulation D or § 211.7(c) of Regulation K or to a foreign-owned banking institution that will voluntarily be maintaining member bank reserves on such credit.

Interest on Deposits

The Board of Governors has amended its Regulation Q in light of recent legislation authorizing negotiable orders of withdrawal (NOW) accounts in the States of Maine, Connecticut, Rhode Island, and Vermont.

Effective March 1, 1976, sections 217.1(c), 217.5(c) and 217.6(i) are amended to read as follows:

Section 217.1—Definitions

* * * * *

(c) **Savings deposits**

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(3) In those States where banks are permitted to offer deposits subject to negotiable orders of withdrawal, such deposits may be maintained if such deposits consist of funds deposited to the credit of or in which the entire beneficial interest is held by one or more individuals, or a corporation, association, or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes, and not operated for profit. Deposits in which any beneficial interest is held by a corporation, partnership, association or other organization operated for profit or not operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes may not be classified as deposits subject to negotiable orders of withdrawal.

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Section 217.5— Withdrawal of Savings Deposits

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[7] ***

[8] ***

(e) **Manner of payment of savings deposits**

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(3) The provisions of this paragraph do not apply to deposits subject to negotiable orders of withdrawal that are authorized by Federal law.

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Section 217.6—
Advertising of Interest on Deposits

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(i) **Negotiable orders of withdrawal.** In addition to compliance with the other paragraphs of this section, member banks offering accounts subject to negotiable orders of withdrawal, to the extent practicable, shall limit every advertisement, announcement or solicitation made in any newspaper, magazine, radio, television or other media to such facilities directed toward residents of the States in which Federal law authorizes the issuance of such accounts. All other advertisement, announcements and solicitations of such accounts, including direct mailing, circulars, and notices, whether written or oral, to the extent practicable, shall be directed only to persons residing or employed in the States in which Federal law authorizes the issuance of accounts subject to negotiable orders of withdrawal and to persons who are customers of member banks in those States on the effective date of this amendment.

Loan Guarantees for Defense Production

The Board of Governors has amended its Regulation V to change the name of a guaranteeing agency in section 1.

Effective February 4, 1976, section 1 is amended to read as follows:

Section 1—Authority

This regulation is based upon and issued pursuant to the Defense Production Act of 1950 (referred to in this regulation as the "Act"), and Executive Order No. 10480, dated August 14, 1953 as amended (3 CFR 1949-1953 Comp., p. 962) referred to in this regulation as the "Order"), and after consultation with the heads of the guaranteeing agencies designated in the Act and the Order, namely the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, the Department of the Interior, the Department of Agriculture, the General Services Administration, the Nuclear Regulatory Commission, Energy Research and Development Administration, the Defense Supply Agency, and the National Aeronautics and Space Administration.

Interpretation of Regulations K, M, and Y

Statement of Policy on State Interests in Foreign Joint Ventures. In general, when a member bank or a corporation organized under § 25(a) of the Federal Reserve Act (an "Edge" corporation), or operating pursuant to an agreement with the Board under § 25 thereof (an "Agreement" corporation), or a bank holding company requests the Board's specific consent to acquire the stock or other certificates of ownership of a foreign corporation that will be jointly-owned by the U.S. banking organization and other foreign or domestic participants (hereinafter referred to as a "foreign joint venture"[1]), the Board considers, among other factors, the degree of legal and practical business responsibility the U.S. banking organization will bear for the financial condition and operations of the foreign joint venture in foreign and international financial markets. In the Board's judgment, this factor, among others, is relevant in assessing what effects the proposed investment may have on the financial and managerial resources of the applying U.S. banking organization.

Based on the recent experience of certain foreign joint ventures in foreign and international financial markets, the Board has found that a U.S. banking organization may, in certain circumstances, feel impelled for business reasons to provide financial support[2] to a foreign joint venture in which it has an equity interest in the event the venture has liquidity or other financial needs. This support may be subtantially in excess of the U.S. banking organization's original equity investment

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[1] The term "foreign joint venture" is used to describe a situation in which a U.S. banking organization with a minority share interest participates, directly or indirectly, in the overall management of the corporation and thus has an active operating interest. A purely passive minority investment in a foreign corporation will not be deemed a "joint venture" investment for purposes of this statement of policy. This "joint venture" determination will be made on the basis of the facts and circumstances of each case.

[2] As used herein, the term "support" includes, without limitation, contributions to capital, purchase (or causing the purchase) from the foreign corporation of loans or securities, making (or causing the making) of loans to the foreign corporation, and the making (or causing the making) of deposits in the foreign corporation.

and may, in some situations, be well in excess of its *pro rata* share. This has seemed most likely to occur in situations where (1) the foreign joint venture has included in its name a reference to the U.S. banking organization, (2) the U.S. banking organization or its affiliates have consistently provided financial support to the foreign corporation in amounts significantly beyond usual commercial limits or significantly disproportionate to its *pro rata* stock interest, or (3) as the result of substantial managerial support furnished by the U.S. banking organization under a contract or other arrangement, the foreign corporation has been publicly identified as or considered to be, sometimes with the active encouragement of the U.S. banking organization, an integral part of the U.S. banking organization's international operations.

Accordingly, the Board, in considering applications by U.S. banking organizations to invest in foreign joint ventures, will, as a matter of policy, take into account the possibility that the applicant may feel impelled for business reasons to provide financial support for such foreign joint venture in the event the venture has liquidity or other financial needs, and that such support could be significantly greater than the amount of its proposed equity investment. The Board will, therefore, consider such application in light of the relative ability of the applicant to meet the demands that such potential support could place on its financial and managerial resources. In doing so, the Board will take into consideration the risks associated with the total assets and liabilities of the foreign joint venture and its projected expansion, and not merely the size of the proposed equity investment by the applicant. In particular, the Board will give great weight to these potential risks and their implications for the applicant in cases where the applicant proposes (1) to include a reference to its name in that of the foreign joint venture, (2) to provide general funding support to the foreign joint venture in amounts disproportionate to its *pro rata* stock interest, or (3) to provide virtually all of the management for such foreign joint venture.

If, however, in the case of any such proposed joint venture investment, the U.S. banking organization can establish in the record of its application that it has reached an agreement or arrangement whereby its support of the proposed joint venture in the event of liquidity or other financial needs will be limited to its initial equity investment or to some fixed amount, or will be shared *pro rata* or otherwise with the other shareholders, or will otherwise be limited, the Board will consider the application and the risks associated therewith on the basis of this additional information. In this regard, the Board will also consider the identity and financial strength of other partners and investors in the venture and their respective ability to provide support to the venture, if needed.

This statement of policy is not intended to prohibit or discourage investments by U.S. banking organizations in foreign joint ventures, which can be a useful form of corporate organization in appropriate circumstances; rather, due to the difficulty of ascertaining the precise risks undertaken . joint venture investments, its primary purpose is to clarify for all parties concerned the probable dimensions of risks assumed in any particular investment. Thus, even if an applicant proposes to assume a disproportionate share of the risks in any joint venture, e.g., agrees to stand behind more than its *pro rata* share of the joint venture's obligations, the Board might be willing to approve the investment if the applicant's financial and managerial resources could bear this additional risk and if other factors indicated that approval would be consistent with the public interest.

The Board further notes that any action that it might take on an application should not be viewed or relied upon by the applying U.S. banking organization, other participants in the venture, or any third party as constituting approval or disapproval, or ratification or rejection of any agreement or arrangement that may have been entered into by the shareholders of a foreign joint venture; specifically, any Board action should not be viewed as constituting any expression of judgment as to the validity or enforceability of any such agreement or arrangement. Any agreement or arrangement will, rather, be merely one among many factors considered by the Board in deciding on an application.

This statement is intended to apply primarily to proposed investments by U.S. banking organizations in the stock of foreign corporations in which they do not already have an equity investment. Applications involving an additional investment in an ongoing foreign joint venture will continue to be considered by the Board on the basis of outstanding facts and circumstances. In the case of any ongoing foreign joint venture the Board will, of course, continue to consider carefully the amount of support, if any, that is being provided by the applicant to the venture and any agreement or arrangement among the joint venturers for the provision of any future support.

Interpretation of Regulation Y

Escrow arrangements involving bank stock resulting in a violation of the Bank Holding Company Act. In connection with a recent application to become a bank holding company, the Board considered a situation in which shares of a bank were acquired and then placed in escrow by the applicant prior to the Board's approval of the application. The facts indicated that the applicant company had incurred debt for the purpose of acquiring bank shares and immediately after the purchase the shares were transferred to an unaffiliated escrow agent with instructions to retain possession of the shares pending Board action on the company's application to become a bank holding company. The escrow agreement provided that, if the application were approved by the Board, the escrow agent was to return the shares to the applicant company; and, if the application were denied, the escrow agent was to deliver the shares to the applicant company's shareholders upon their assumption of debt originally incurred by the applicant in the acquisition of the bank shares. In addition, the escrow agreement provided that, while the shares were held in escrow, the applicant could not exercise voting or any other ownership rights with respect to those shares.

On the basis of the above facts, the Board concluded that the company had violated the prior approval provisions of section 3 of the Bank Holding Company Act ("Act") at the time that it made the initial acquisition of bank shares and that, for purposes of the Act, the company continued to control those shares in violation of the Act. In view of these findings, individuals and bank holding companies should not enter into escrow arrangements of the type described herein, or any similar arrangement, without securing the prior approval of the Board, since such action could constitute a violation of the Act.

While the above represents the Board's conclusion with respect to the particular escrow arrangement involved in the proposal presented, the Board does not believe that the use of an escrow arrangement would always result in a violation of the Act. For example, it appears that a transaction whereby bank shares are placed in escrow pending Board action on an application would not involve a violation of the Act so long as title to such shares remains with the seller during the pendency of the application; there are no other indicia that the applicant controls the shares held in escrow; and, in the event of a Board denial of the application, the escrow agreement provides that the shares would be returned to the seller.

Interpretations of Regulation Z

Timing and modification of semiannual statements. Sections 226.7(d)(1) through 226.7(d)(4) set out the method by which the statement required by § 226.7(a)(9) is to be provided to customers on a semiannual basis. Section 226.7(d)(5) provides for a shorter statement which, as an alternative to the provisions of §§ 226.7(d)(1) through 226.7(d)(4), may, under certain conditions, be provided with each periodic statement.

The question has arisen of when the first statement, either the longer statement required by § 226.7(a)(9) or the alternate shorter statement under § 226.7(d)(5), must be provided under § 226.7(d). Creditors must mail or deliver one or the other of these statements, pursuant to § 226.7(d), not later than seven months after October 28, 1975. In determining when to send the first statement pursuant to § 226.7(d), the initial statements prescribed by § 226.7(a)(9) which are sent to customers with accounts in existence on October 28, 1975, pursuant to § 226.7(i), may not be considered a statement sent for purposes of § 226.7(d).

A second question has arisen regarding the timing of disclosures should a creditor change practices and provide the statement under § 226.7(d)(5) instead of the longer statement prescribed in § 226.7(a)(9). The same question has arisen with respect to the opposite case, i.e., when a creditor first makes disclosure under § 226.7(d)(5) and subsequently decides to make disclosure of the statement prescribed by § 226.7(a)(9) semiannually. If a creditor first discloses the § 226.7(a)(9) statement semiannually and subsequently decides to use the § 226.7(d)(5) alternative, the first statement which must be provided pursuant to § 226.7(d)(5) must be mailed or delivered not later than the time that the next § 226.7(a)(9) statement would have been required had no change in the creditor's practice occurred. If a creditor first chooses to make disclosure pursuant to § 226.7(d)(5) and subsequently decides to provide the longer statement prescribed in § 226.7(a)(9) semiannually, the creditor must mail or deliver such longer statement to those customers receiving periodic statements (not later than the mailing or delivery of such periodic statements) pursuant to § 226.7(b) for the billing cycle immediately subsequent to the billing cycle for which the last statements were mailed or delivered pursuant to § 226.7(d)(5). The timing of mailing or delivery of § 226.7(a)(9) statements on a semiannual basis subsequent thereto is to be determined in accordance with §§ 226.7(d)(1), (2), (3), and (4).

A further question has arisen whether a creditor may delete portions of the statement prescribed in § 226.7(d)(5) which are inapplicable to its particular credit plan as in the case of the statement prescribed by § 226.7(a)(9). In line with the general policy of the Truth in Lending Act and Regulation Z which attempt to avoid disclosures which might be confusing to consumers, any portions of the § 226.7(d)(5) statement which are inapplicable to a credit plan may be deleted from the § 226.7(d)(5) statement by the creditor of that plan.

The question has also arisen whether references to the "creditor" in the statement prescribed by § 226.7(d)(5) may be altered or modified as is permitted with regard to the statement prescribed by § 226.7(a)(9). Such alteration or modification is permissible; wherever the word "creditor" appears or is referred to in the statement prescribed by § 226.7(d)(5), the creditor may substitute appropriate references, such as "company," "bank," "we" or a specific name.

Modification of semiannual statements pursuant to State law. Sections 226.7(a)(9) and 226.7(d)(5) prescribe statements regarding customers' rights and creditors' responsibilities under certain sections of the Regulation. These statements contain specific references to the "Federal Truth in Lending Act," Federal Fair Credit Billing Act," and the "Act."

Certain States have adopted, or intend to adopt, regulations or statutes identical to the amendments to Regulation Z adopted by the Board on September 15, 1975, for the purpose of implementing the Fair Credit Billing Act. The question has arisen whether the statements prescribed by §§ 226.7(a)(9) and 226.7(d)(5) may be modified under these circumstances to include a reference to the State law immediately following the relevant reference to the Federal law, or whether separate statements are required under both the State law and Federal laws.

In the circumstances described above, it is permissible for a creditor to modify the statements prescribed by §§ 226.7(a)(9) and 226.7(d)(5) in the form of a reference to the relevant State law by name. Such a disclosure, if made immediately following the relevant reference to the titled Federal law in substantially the following manner: "and the [insert the name of the State and the State law involved]," is permissible under Regulation Z and any State law requiring such a disclosure is not inconsistent with the Act or Regulation within the meaning of § 226.6(b). It is similarly permissible to substitute "these Acts" for the words "the Act" where it appears in the statement required by § 226.7(a)(9).

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

Orders Under Section 3 of Bank Holding Company Act

Capital First Corporation,
Philadelphia, Pennsylvania

Order Denying
Formation of Bank Holding Company

Capital First Corporation (formerly Capital Equipment Leasing Corporation), Philadelphia, Pennsylvania, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) to remain a bank holding company through the indirect retention of 64 per cent of the voting shares of State National Bank of Maryland, Rockville, Maryland ("Bank"), through the retention of approximately 67 per cent of the voting shares of Eastern Bancorporation, Philadelphia, Pennsylvania ("Eastern"), a registered bank holding company presently owning 64 per cent of the voting shares of Bank.

Applicant has also applied, pursuant to § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) and 225.4(b)(2) of the Board's Regulation Y, for permission to continue to engage in the activities of general equipment leasing on a full pay-out basis. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4 (a)(6)(a)), subject to the Board's approval of individual applications.

Notice of receipt of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and the considerations specified in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant, along with another affiliated corporation (Aircraft Acceptance), is located on the middle tier of a five-tiered network of affiliated corporations in which all the corporations with the exception of Applicant and Bank (which is located at the bottom of the structure) are registered bank holding companies. As part of an internal reorganization among the affiliated corporations, Applicant became a bank holding company without the prior approval of the Board, as required by section 3 of the Act, when Applicant received 50 per cent of the outstanding shares of Eastern from State Bancshares, its parent, in exchange for a cancellation of an indebtedness. Subsequently, Eastern issued additional shares to Applicant in return for cash and the forgiveness of indebtedness. The present application is for the Board's permission to remain as a bank holding company. While Applicant became a bank holding company without the Board's prior approval, the Board has nonetheless considered the present application and, even absent the fact that the transaction was in violation of the Act, is of the view that other facts of record indicate that the application to remain a bank holding company should be denied.

As noted above, Applicant is a bank holding company by virtue of its indirect interest in Bank.[1] Bank, with deposits of about $44.9 million,[2] controls less than one per cent of the total deposits in commercial banks in the relevant banking market,[3] and is one of the smaller banks in the market. Since Applicant has no other banking interest and the transaction whereby Applicant became a bank holding company did not alter the position of Bank in the market, it appears that Applicant's retention of its indirect interest would have no adverse effect on competition and, therefore, competitive considerations are consistent with approval of the application to remain a bank holding company.

Under the Bank Holding Company Act, the Board is required to consider the financial and managerial resources and future prospects of the applicant and the bank to be acquired, and in the exercise of that responsibility the Board has indicated on several occasions that an applicant should be a source of financial strength for its subsidiary bank(s). On the basis of the facts of record on this application, the Board is unable to conclude that Applicant possesses the necessary financial and managerial resources to warrant approval of the application to remain a bank holding company.

Even though Applicant became a bank holding company as a result of a transfer from an affiliated corporation, the Board believes that Applicant must satisfy the standards normally applied in one-bank holding company formations. In the Board's view, Applicant is unable to satisfy such standards. Although Bank reported profits for 1974 and 1975, Applicant incurred significant losses from its total operations during 1974 and indications are that there will be no significant change in 1975. Although Bank is in generally satisfactory condition, it is clear that, in view of its present financial condition, Applicant is not in a position to render any meaningful assistance to Bank if the need should arise. Accordingly, on the basis of the foregoing and other facts of record, the Board is of the view that considerations relating to the financial and managerial resources are sufficient to warrant denial of the subject proposal.

With respect to other considerations reflected in the record, there is no indication that the transfer of the indirect interest in Bank to Applicant resulted in any significant changes in Bank operations or services. Accordingly, considerations relating to the convenience and needs of the community to be served do not outweigh the adverse factors specified hereinabove.

On the basis of all the circumstances concerning this application, the Board concludes that the financial considerations involved in the proposal present adverse factors bearing on the financial condition and prospects of Applicant. Such adverse factors are not outweighed by any procompetitive effects or by benefits which would result in serving the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in

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[1] In addition to its indirect interest in Bank, Applicant has been engaged in general equipment lease financing domestically since 1967 and through a Brazilian subsidiary since 1972. An application for the retention of this Brazilian subsidiary has been denied by the Board, effective February 11, 1976.

[2] All banking data are as of June 30, 1975.

[3] The relevant banking market is approximated by the Washington, D.C. SMSA (Standard Metropolitan Statistical Area).

the public interest and that application for approval to remain a bank holding company should be, and hereby is, denied.[4]

Applicant is directed to take appropriate measures to effect a prompt divestiture of its indirect control of Bank and is hereby granted thirty days from the date of this Order to effect said divestiture, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Richmond pursuant to authority hereby delegated.

By order of the Board of Governors, effective February 11, 1976.

Voting for this action: Vice Chairman Mitchell and Governors Bucher, Holland, Wallich, Coldwell, and Jackson. Absent and not voting: Chairman Burns.

Board action was taken while Governor Bucher was a Board member.

Board action was taken before Governor Partee became a Board member.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

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[4] In view of the Board's action with respect to the application to remain a bank holding company, consideration of the § 4(c)(8) application to retain the leasing activities becomes moot.

Mountain Financial Services, Inc.,
Denver, Colorado

Order Approving Formation of Bank Holding Company and Engaging in Insurance Agency Activities

Mountain Financial Services, Inc., Denver, Colorado, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company through acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of Northwest State Bank, Arvada, Colorado ("Bank"). The factors that are considered in acting on this application are set forth in § 3(c) of the Act (12 U.S.C. 1842(c)). At the same time, Applicant has applied, pursuant to § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to act as agent or broker with respect to the sale of credit life, and credit accident and health insurance directly related to extensions of credit by Bank. Such activities have been determined by the Board in § 225.4(a)(9)(ii)(a) of Regulation Y as permissible for bank holding companies, subject to Board approval of individual proposals in accordance with the procedures of § 225.4(b).

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act (40 Federal Register 18047). The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)), and the considerations specified in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant is a nonoperating corporation formed for the express purposes of becoming a bank holding company through the acquisition of Bank, and engaging in the sale of credit life and credit accident and health insurance. The proposed transaction involves the transfer of control of Bank from individuals to a corporation owned by the same individuals. Upon acquisition of Bank, Applicant would control 0.05 per cent of the total deposits in commercial banks in Colorado.

Bank holds deposits of $3.4 million,[1] representing 0.08 per cent of the total deposits in the Denver banking market,[2] and ranks as the 68th largest of 70 commercial banks operating therein. Certain principal shareholders of Applicant are also principal shareholders of three other banks, one of which is presently located within the Denver market and one of which will be located within the Denver market when it opens for business. However, since the subject proposal is essentially a reorganization of Bank's present ownership with no immediate change in Bank's operations, and in view of the relative size of Bank and number of banking alternatives available, it appears that consummation of the proposal would not eliminate any significant existing or potential competition, increase the concentration of banking resources, or have any adverse effects on any other banks in any relevant area. Therefore, the competitive considerations are consistent with approval of the application.

On August 19, 1974, a previous application by Applicant to acquire Bank was denied because the Board was unable to conclude that the projected

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[1] All banking data are as of December 31, 1974.

[2] The Denver banking market, the relevant geographic market for purposes of analyzing the competitive effects of the proposed transaction, is approximated by all of Denver, Adams, Arapahoe, and Jefferson Counties and a small portion of Boulder County, all in Colorado.

earnings of Bank, which had only recently opened for business and had not yet achieved a record of profitability, were reasonable and, even if realized, the projected earnings did not, in the Board's view, provide Applicant with the necessary financial flexibility to meet its debt servicing requirements as well as any unexpected problems that might arise at Bank. The future prospects for Applicant are still primarily dependent upon the profitable operations of Bank. However, in the subject proposal, Applicant has reduced the amount of debt it will assume as part of the transaction and increased its equity to debt ratio from what it had previously proposed. Applicant also proposes to augment its earnings by commissions from the sale of credit-related insurance to customers of Bank. In addition, after more than 20 months of operation, Bank has established a record of profitability. In view of these facts, the Board concludes that the projected earnings for Bank appear reasonable and should provide Applicant with the necessary financial flexibility to meet its annual debt servicing requirements as well as any unexpected problems that may arise at Bank. Moreover, Applicant has committed to maintain Bank's capital at adequate levels throughout the debt retirement period, and not to pay dividends, on either preferred or common stock, unless and until the projected debt servicing requirements have first been satisfied. Furthermore, the managerial resources of Applicant and Bank are considered satisfactory and the future prospects for each appear favorable. Thus, the considerations relating to the banking factors are consistent with approval of the application.

Although consummation of the proposal to acquire Bank would effect no changes in the services offered by Bank, the considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Therefore, the Board concludes that the proposed acquisition of Bank would be in the public interest and that the application should be approved.

Also incident to the reorganization of Bank's ownership, Applicant proposes to act as an agent or broker with respect to the sale of credit life and credit accident and health insurance directly related to extensions of credit by Bank. At present, Bank engages in this activity. Thus, it does not appear that engaging in this activity by Applicant would have any significant effect on existing or future competition. On the other hand, approval of the application would assure customers of Bank of a convenient source of such insurance services. Furthermore, there is no evidence in the record indicating that consummation of the proposal would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices or other adverse effects on the public interest.

Based on the foregoing and other considerations reflected in the record, the Board has determined that the considerations affecting the competitive factors under § 3(c) of the Act and the balance of the public interest factors the Board must consider under § 4(c)(8) of the Act both favor approval of Applicant's proposals.

Accordingly, the applications are approved for the reasons summarized above. The acquisition of Bank shall not be made before the thirtieth calendar day following the effective date of this Order; and neither the acquisition of Bank nor commencement of insurance agency activities shall be made later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority. The determination as to Applicant's insurance activities is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective February 5, 1976.

Voting for this action: Chairman Burns and Governors Mitchell, Holland, Wallich, Jackson, and Partee. Absent and not voting: Governor Coldwell.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

American Security Corporation, Washington, D.C.

Order Approving Acquisition of Bank

American Security Corporation, Washington, D.C. ("ASC"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for approval of the Board of Governors of the Federal Reserve System under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)), to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to American Security and Trust Company, Washington, D.C. ("AS&T"). The bank into which AS&T is to be merged has no significance except as a means to facilitate the acquisition by ASC of the voting shares of AS&T, and the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of AS&T. ASC and AS&T, however, have identical shareholders, and the charter of ASC provides that ASC shares may only be transferred with an equal number of shares of AS&T.[1] In light of this "stapled stock" arrangement, this application represents, in effect, a reorganization of an existing corporate relationship rather than an acquisition of an unaffiliated entity.

Notice of this application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Bank Holding Company Act. The time for filing comments and views with respect to this application has expired. The Board has considered all timely reports and comments, including those filed September 22 and November 19, 1975, by the Public Interest Research Group and the District of Columbia Public Interest Research Group (hereafter referred to collectively as "PIRG"), in light of the factors set forth in the Act.[2]

ASC, in addition to its stapled stock affiliation with AS&T, presently owns 96.5 per cent of the voting stock of one bank, Fairfax County National Bank, Falls Church, Virginia ("FCNB"). Pursuant to a Board order of November 12, 1974 (1974 Federal Reserve BULLETIN 875), ASC has agreed to reduce its ownership of the voting stock of FCNB to less than 25 per cent by November 1976, and ASC's present control of FCNB is not a factor relevant to this application.

ASC was organized by AS&T in 1957 to take over ownership of AS&T's premises and to hold certain of AS&T's nonbanking assets, and it continues to engage directly or through a subsidiary in certain nonbanking activities. ASC has an interest in real estate development companies, owns real estate under long-term lease to AS&T, operates a travel agency, acts as agent for the sale of various types of insurance and originates, processes and services real estate mortgages and construction loans. Certain of these activities have not been determined by the Board to be closely related to banking, and therefore are not permissible activities for bank holding companies under § 4(c)(8) of the Act. However, ASC claims the right to continue to engage in all of its nonbanking activities permanently pursuant to the "grandfather" provisions of § 4(a)(2) of the Act. This claim is presently under consideration by the Board.

AS&T, with deposits of $879.8 million,[3] ranks as the second largest bank in the District of Columbia and the third largest banking organization in the relevant market[4] and holds approximately 25 per cent of total commercial bank deposits in the District and 11 per cent of such deposits in the market. AS&T operates its 31 offices in the District of Columbia but serves depositors and borrowers from throughout the Washington, D.C. SMSA. Inasmuch as Applicant is committed to reduce its ownership of the voting stock of FCNB below 25 per cent and inasmuch as ASC is seeking merely to restructure an existing control relationship, the technical acquisition of AS&T will have no adverse effect upon existing or potential competition in the relevant market. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial condition, managerial resources and future prospects of AS&T are regarded as satisfactory. In fact, this reorganization of ASC and AS&T into a more traditional parent-subsidiary holding company system will be likely to increase the efficiency of the system's organizational structure and will permit greater flexibility in adding equity capital to ASC and AS&T. Considerations of managerial efficiency as well as AS&T's strong financial condition and future

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[1] This "stapled stock" arrangement is discussed more fully in the Board's order involving American Security of November 12, 1974 (1974 Federal Reserve BULLETIN 875).

[2] The untimely comments of the Adams Morgan Organization, a nonprofit neighborhood association in the District of Columbia, were considered as well.

[3] All banking data are as of June 30, 1975, unless otherwise indicated.

[4] The market is approximated by the Washington, D.C. SMSA including Charles, Montgomery and Prince Georges County, Maryland and Arlington, Fairfax, Loudoun and Prince William Counties, Virginia as well as the District of Columbia.

prospects lend weight toward approval of this application.

The Board has received comments in opposition to the proposal that relate to the managerial resources of the organization and the convenience and needs of the community to be served. PIRG has urged the Board to deny the application because it contends AS&T has engaged in discriminatory lending and employment practices and has failed to serve certain portions of the community. The Adams Morgan Organization ("AMO"), a neighborhood association in the District of Columbia, has urged approval of the application conditioned upon AS&T undertaking an affirmative lending program for minority District neighborhoods. AMO relies upon the data submitted by PIRG to support its recommendation.

PIRG makes two basic allegations to demonstrate that AS&T is failing to serve the needs of segments of the D.C. community, particularly the black community. First, PIRG alleges that AS&T's employment practices are deficient because AS&T has failed to place a sufficient number of minority persons in managerial or professional positions. Second, PIRG alleges that AS&T has failed to serve the credit needs of certain segments of the community because it engages in discriminatory residential mortgage lending practices and because it fails to make FHA/VA insured mortgage loans and small business loans guaranteed by the Small Business Administration.

With respect to its charges of employment discrimination on the part of AS&T, PIRG states that: (1) AS&T is a major employer in the District of Columbia, employing 1278 persons; (2) although 61 per cent of AS&T's clerical employees are black, only 14.1 per cent of its officials and managers and 14.7 per cent of its professionals are black; (3) the population of District of Columbia is 70 per cent black; (4) from 1972 to 1975 AS&T created 174 positions for officers and managers, but the number of black officers increased by only 45 persons—slightly more than 25 per cent of those added, (5) only 14 of the 80 professionals added to AS&T's staff during this same period were black—about 17 per cent.

In response ASC has submitted a letter from the Department of the Treasury indicating that it has reviewed AS&T's Affirmative Action Program and has found that its program complied with Executive Order 11246 and the rules issued by the Secretary of Labor. ASC also urges that the entire question of its employment practices is irrelevant to this application.

Discrimination in employment on the basis of race is clearly unlawful. However, the Board has a serious question about the relevance of charges of employment discrimination in application proceedings arising under the Bank Holding Company Act. While there is unquestionably a strong public interest in this issue, at least one court has indicated that there are limits to the Board's ability to take into account, under the managerial and convenience and needs standards of the Bank Holding Company Act, public interest considerations that go beyond the direct regulatory concerns of the Board under the Act. See *Western Bancshares, Inc. v. Board of Governors*, 480 F. 2d 749 (10th Cir. 1973). As to the question of employment discrimination raised by PIRG, several governmental agencies including the Department of the Treasury, AS&T's own primary supervisory agency—the Comptroller of the Currency—and the District of Columbia Office of Human Rights have primary enforcement responsibility. Particularly under these circumstances, the Board questions whether Congress intended to include such considerations within the scope of the Bank Holding Company Act.

Even if the issue of employment discrimination were deemed relevant, however, the Board does not believe that PIRG has presented evidence of discriminatory employment practices that would merit an adverse finding by the Board on the managerial and convenience and needs factors in the present application. Over 40 per cent of AS&T's employees are black while only 25 per cent of the population of the Washington, D.C. SMSA is black. AS&T, by PIRG's own figures, has increased the proportion of its black officers and managers from less than one per cent to more than fourteen per cent in the past three years. The percentage of black professional employees has also increased 2.5 per cent to almost 15 per cent in the same time period. Moreover, the Department of the Treasury has determined that AS&T's ongoing Affirmative Action Program meets all relevant standards. Thus, even if the Board considered PIRG's charge to be germane in this case, the figures submitted by PIRG do not support an adverse finding on the convenience and needs or managerial factors as they relate to ASC's application.

In support of its second allegation, that AS&T

has failed to meet the needs of certain segments of the community due to discriminatory lending practices, PIRG states:

(1) From 1973 through 1975 AS&T originated the majority (69.5 per cent, $4.2 million in 1973, 94 per cent, $1.7 million from June to December, 1974 and 91.4 per cent, $2.4 million in the first 9 months of 1975) of its first mortgage residential property purchase money loans in three predominantly white neighborhoods of the District with approximately 17 per cent of the District's population. During the same period, AS&T originated a small portion of such loans (30.5 per cent, $1.86 million in 1973, 6 per cent, $.12 million from June to December 1, 1974, and 9 per cent, $.23 million in the first nine months of 1975) in 16 mixed or predominantly black neighborhoods of the District that contain approximately 83 per cent of the District's population. At least 7 of these neighborhoods received no residential property purchase money loans each year.

(2) In 1973 and in 1975 AS&T made no residential mortgage loans under the FHA or VA programs of insurance and guarantee although the majority of FHA insured residential mortgage loans made in the District are made to black persons (85 per cent of such loans in 1974).

(3) In fiscal year 1974 AS&T originated loans of only $25,000 under the loan guarantee program of the Small Business Administration, while 28 of the 34 participating banks in the relevant market originated more. Approximately 70 per cent of the black-owned businesses in the District and approximately 30 per cent of the white-owned businesses are small businesses.

PIRG contends that such factors must be considered relevant to the application since the Board must consider the convenience and needs of the community in acting upon any application.

In response, ASC states that the proposal before the Board is merely an internal reorganization of an existing bank holding company structure that will not result in any change of ownership or management or any expansion of offices or activities. ASC argues that this proposal will have no effect upon the employment or lending policies of the bank and no impact upon the convenience and needs of the community. For these reasons, ASC claims that PIRG's assertions are irrelevant to the application.

With respect to PIRG's substantive allegations, ASC claims that PIRG has failed to establish discrimination because there is no evidence that AS&T's lending practices have been motivated by consideration of race. ASC cites a 1974 study by the Federal Home Loan Bank Board as demonstrating that it made a substantial number of loans to black persons, and it dismisses PIRG's claim that it does not participate in the FHA/VA and SBA programs as not showing discrimination.

The underlying issues raised by PIRG's contentions are: (1) whether AS&T's failure to provide mortgage loans for purchase of residential property in certain geographic areas of the District of Columbia, and its failure to make loans under the Federal FHA, VA and SBA programs, if proven, establish that AS&T has not been meeting the convenience and needs of the community, and if so, (2) whether such facts are entitled to significant weight in the Board's consideration of the convenience and needs factors related to this application. The Board is, of course, required by § 3(c) of the Act to take into consideration the convenience and needs of the community to be served in acting upon applications by companies to acquire banks, but there are other factors that must be considered as well, and, depending upon the nature of the application, certain of these factors may be accorded greater weight than others.

In evaluating PIRG's charges relating to the convenience and needs, the Board believes it is important to view them in the broad perspective of the range of services offered by a large commercial bank such as AS&T. PIRG's charges relate to the areas of 1-4 family residential mortgage loans and small business loans, two of more than fifteen types of loans listed in the Annual Reports of Condition of AS&T. The Board emphasizes again the point made in its order on the application of Marine Midland Banks[5] that "bank managements should and do have a range of discretion as to the types of loans they will make and the degree of risk they will assume." AS&T may reasonably choose to minimize or to emphasize a particular type of lending, and it would not be appropriate to assess AS&T's performance in satisfying the convenience and needs of the community by focusing on only two of the many services it offers.

Moreover, commercial banks have not traditionally been primary lenders in the residential mortgage market. In the District as of June 1974,

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[5] 1975 Federal Reserve BULLETIN 890.

savings and loan institutions had residential mortgage loan portfolios nearly six times greater in dollar value than the residential mortgage loan portfolios of commercial banks. AS&T's share of the residential mortgage originations in the District of Columbia in 1973, at a time when mortgage lending was at an all time high nationally,[6] was approximately 5.8 per cent, with 93 originations totaling $6.08 million. Thus, even in a year when AS&T's involvement in the residential mortgage market would be expected to be most significant, the role of AS&T was not major.

AS&T's actual originations declined substantially to 86 loans, totaling $4.5 million, in the 15-month period from June 1974 to September 1975. In the first 9 months of 1975, a period of easing credit when mortgage lending nationally rose more steeply than ever before, AS&T originated only 53 residential mortgage loans with a volume of $2.7 million. Since AS&T has about $880 million in deposits and over a billion dollars in total assets these figures on residential mortgage lending reveal that such lending is a very small part of AS&T's banking services.

At year-end 1974 AS&T held 5.8 per cent of its total assets in uninsured loans secured by 1-4 family residential properties. Since such loans are long-term, each year's originations are a fraction of a per cent of total assets. For example, it was approximately 0.6 of one per cent in 1973. In contrast, 11.4 per cent of AS&T's total assets are in short-term loans to individuals for personal needs. The dollar volume of such originations each year would be seven or eight times greater than for residential mortgage loans.

Unless it were to be argued that AS&T has an obligation to increase its total residential mortgage lending, PIRG's protest may be viewed as a claim that of its toal of 93 residential mortgage loans in 1973 AS&T should have made an average of 5 loans in each of the 19 neighborhoods of the District, and 4.5 loans (of its total of 86) in those neighborhoods between June 1974 and September 1975, and that some of those loans should have been FHA/VA loans. This strict allocation of credit would ignore such relevant factors as the reality that many such residential mortgage loans, particularly in times of tight credit, would not be made by a commercial bank at all except as an accommodation to good customers or to assist large corporate depositors with a need for mortgage credit to assure a transfer of personnel.[7] The Board cannot base a conclusion that AS&T is guilty of a significant failure to serve the banking needs of the community merely on the fact that AS&T may not have allocated its minimal number of residential mortgage loans pro rata throughout the neighborhoods of the District of Columbia.

Nor is the Board persuaded that AS&T should be compelled to allocate additional funds to this type of lending. AS&T is a large commercial bank that has chosen to serve the community by emphasizing certain of its banking functions over residential mortgage lending. It provides other services that primary mortgage lenders, such as savings and loan associations and mortgage banking companies, and even smaller commercial banks, may not have the capability to provide. For example, AS&T is an important source of mortgage lending for purchase or construction of such projects as apartments, offices, hotels, and factories. AS&T is the largest non-residential and uninsured multifamily real estate lender in the District, both in dollar volume and as a percentage of total assets. As of year-end 1974, AS&T had $142.8 million in loans outstanding in these two categories—approximately 26 per cent of its total loan portfolio. No other commercial bank in the District had more than $81 million, or 18 per cent of its total loans, in these two areas. Nothing in the Bank Holding Company Act or any other applicable law or regulation compels a conclusion that AS&T must, in order to obtain approval of its proposed internal reorganization, divert resources from areas in which it is one of the few important alternative sources of credit to areas in which it has not been a significant factor and in which there are many alternative sources.

In addition, not all of AS&T's efforts to meet the residential mortgage needs of the community are in the form of direct lending. As of year-end 1974, AS&T had nearly $88 million in loans outstanding to other financial institutions, includ-

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[6] Net mortgage lending from private lenders reached almost $55 billion in 1973, but declined rapidly to less than $20 billion by year-end 1974.

[7] Some indication of this factor can be found in the size of AS&T's loans. In 1974-75, AS&T's average residential mortgage loan was $52,000 and in 1973 the average was $65,000. When the normal 20-25 per cent down payment is considered, AS&T was financing the purchase of homes with an average selling price of between $70,000 and $85,000.

ing savings and loan associations, finance companies, and mortgage banking companies. As one of the largest financial institutions in the Washington, D.C. SMSA, many of AS&T's responsibilities are as a financial center for smaller institutions. AS&T assists the primary consumer and residential mortgage lenders, and in this way enables them to provide additional mortgage funds.

Finally, in view of the small number of loans involved, a decision, for whatever reason, to make one or two loans in a neighborhood greatly alters the statistics. It is difficult to attach any significance to a figure relating to a particular neighborhood when the statistics must divide 33 loans made in six months of 1974, or 53 loans made in the first nine months of 1975, into 19 neighborhoods.

PIRG additionally relies upon statistics to demonstrate that AS&T's lending practices are intentionally discriminatory on racial grounds. However, the Board finds that these statistics are inconclusive and tend to support a number of contradictory inferences. For example, PIRG's statistics are consistent with a finding that AS&T receives a disproportionate number of its loan applications from neighborhoods where the predominant number of residents are white. Such a finding would not be unreasonable in view of the fact that over 60 per cent of AS&T's offices are in white neighborhoods or in downtown areas of the District where the customers are likely to include large numbers of commuters.

Alternatively, PIRG's data would support the inference that AS&T emphasizes other types of lending and makes residential mortgage loans only to accommodate established customers and employees. Indeed, as our discussion above indicates, the Board believes that this inference is more compelling than the inference that AS&T has intentionally discriminated in making residential mortgage loans on the basis of race.

Furthermore, there are certain data presented that are inconsistent with a theory of lending discrimination. A study by the Federal Home Loan Bank Board indicates that from June 1 to December 1, 1974, AS&T approved a greater percentage (89.8) and a greater number (115) of applications for mortgage and home improvement loans from blacks than from whites (89.2 per cent, 100 loans). These loans were made in all areas of the city, and more than 75 per cent were made in neighborhoods that are not predominantly white. PIRG's own figures reveal that AS&T made loans in all but three neighborhoods at some time in the 27 months for which statistics have been presented. In fact, AS&T made a greater percentage of the dollar volume of its originations in certain neighborhoods where a majority of the inhabitants were black than the neighborhood received from all lenders.

PIRG's data do not establish racial discrimination and whatever the basis of AS&T's limited residential mortgage lending activity, the impact is not sufficiently significant to reflect adversely upon AS&T's overall service to the community. Accordingly, the Board cannot find that the factors relating to the convenience and needs lend weight to denial, but rather finds that they are consistent with approval.

Even were the Board to have drawn some adverse inferences, considerations relating to the convenience and needs of the community are necessarily of greater import in an application for expansion of the activities of the holding company where the Board must assess the service likely to be offered to the new community. In this case ASC and AS&T may continue to operate as they have in the past even if the Board denies the application. What is involved is a mere reorganization of the structure of two companies that will not alter in any way the present service to the existing market. Therefore, the convenience and needs factors carry minimal weight.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Richmond, pursuant to delegated authority.[8]

By order of the Board of Governors, effective February 19, 1976.

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

(Signed) THEODORE E. ALLISON,
Secretary of the Board.

[SEAL]

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[8] The motions of AMO and two other neighborhood associations, the Naylor Dupont Community Coalition and Southeast Neighbors, that the Board approve this application only upon imposition of certain conditions are hereby denied for the reasons set forth in this Order.

CleveTrust Corporation, Cleveland, Ohio

Order Approving Acquisition of Banks

CleveTrust Corporation, Cleveland, Ohio, a bank holding company within the meaning of the Bank Holding Company Act ("Act") has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(c)) to acquire: (1) 99.8 per cent of the voting shares of The Peoples-Merchants Trust Company, Canton, Ohio ("Peoples Bank"); (2) 98.7 per cent of the voting shares of The Union Savings Bank and Trust Company, Steubenville, Ohio ("Union Bank"); and (3) 96.2 per cent of the voting shares of The Scio Bank Company, Scio, Ohio ("Scio Bank").

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

Applicant, the largest banking organization in Ohio, controls five banks with aggregate deposits of approximately $3.1 billion, representing 10.3 per cent of the total deposits in commercial banks in the State.[1] The three banks that Applicant proposes to acquire are presently controlled by Peoples BancShares, Inc., Canton, Ohio ("BancShares"), the 26th largest banking organization in the State, and are BancShares' only subsidiaries. Applicant proposes to acquire to above-stated percentages of the shares of the three banks from BancShares. Applicant's acquisition of these three banks would increase its share of total State deposits by 0.6 per cent and would not significantly increase the concentration of banking resources in Ohio.

The three subject banks operate in three distinct markets.[2] Peoples Bank holds deposits of $128.6 million, representing 13.9 per cent of total deposits in commercial banks in the Canton banking market, and ranks as the third largest of 13 banking organizations operating therein. Union Bank holds deposits of approximately $42.8 million, representing 10.2 per cent of total commercial bank deposits in the Steubenville-Weirton banking market, and ranks as the fourth largest of 16 banks operating in that market. Scio Bank holds deposits of approximately $10.2 million and is the only bank operating in the Scio banking market. None of Applicant's banks are located in the markets where the three banks are located. From the facts of record, there is no indication that any meaningful competition presently exists between any of Applicant's subsidiary banks and the three subject banks; nor does it appear likely that any significant competition would develop in the foreseeable future due to the distances involved and Ohio's branching laws.

Although consummation of the proposed acquisitions would foreclose the possibility that either Applicant or BancShares would enter banking markets served by the other, it appears that there is little likelihood of significant competition developing between the two banking organizations in the absence of the subject proposal. Moreover, it does not appear from the facts of record that BancShares has the necessary financial or managerial resources to expand geographically in the foreseeable future. Although Applicant may possess the capabilities to enter the relevant markets *de novo*, these markets are not particularly attractive for such entry. The Canton and Steubenville-Weirton markets have deposits per banking office ratios that are below the State average; and the Scio market has population and deposits per banking office ratios that are far below the respective State averages.

In view of the foregoing, it is concluded that consummation of the proposals would not have

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[1] All banking data are as of June 30, 1975, and reflect holding company formations and acquisitions approved through January 31, 1976.

[2] See opposite column for footnote.

[2] The relevant geographic markets for purposes of analyzing the competitive effects of the proposed acquisitions are described by the following:

–The Canton banking market is approximated by all of Stark County, excepting therefrom Lawrence Township and the western half of Lake Township; Smith Township and the western half of Lake Township; Smith Township in Mahoning County; Lawrence and Sandy Townships in Tuscarawas County; and Augusta, Brown, East and Rose Townships in *Carroll County, all in Ohio.*

–The Steubenville-Weirton market is approximated by Jefferson County, Ohio, excepting therefrom Brush Creek, Ross, Springfield, and Wayne Townships; and Clay and Butler Townships in Hancock County, and Cross Creek Township in Brooke County, all in West Virginia.

–The Scio market is approximated by the village of Scio, Ohio and surrounding unincorporated *environs.*

significantly adverse effects on existing or potential competition in any relevant area and that competitive considerations are consistent with approval of the applications.

The financial and managerial resources of Applicant and its subsidiaries are considered satisfactory, and the future prospects for each appear favorable. As subsidiaries of Applicant, these same conclusions generally apply to Peoples Bank, Union Bank and Scio Bank. Thus, the banking factors are consistent with approval of the applications. Affiliation with Applicant would provide the three banks with access to Applicant's financial and managerial resources, and should permit the banks to offer new and expanded services to their customers. Thus, the considerations relating to the convenience and needs of the communities to be served lend some weight toward approval of the applications. It has been determined that the proposed acquisitions would be in the public interest and that the applications should be approved.

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

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors, effective February 13, 1976.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Federated Capital Corporation, Houston, Texas

Order Denying Acquisition of Bank

Federated Capital Corporation, Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of South Park National Bank, San Antonio, Texas ("Bank"), a proposed new bank.

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

Applicant, the seventh largest bank holding company in Texas, controls six banks with aggregate deposits of $943 million, representing approximately 2.2 per cent of total deposits in commercial banks in the State.[1] Since Bank is a proposed new bank, its acquisition by Applicant would neither immediately increase Applicant's share of deposits nor alter its rank in the State.

Bank would be located in the southern portion of the city of San Antonio and would be competing in the San Antonio banking market.[2] Applicant presently has two banking subsidiaries in the relevant market and ranks as the third largest banking organization with 10.8 per cent of total commercial bank deposits in the market. There are 41 banking organizations in the relevant market and the two largest (each of which is a multibank holding company) control approximately 26 and 16 per cent, respectively, of the total commercial bank deposits in the market. Since Bank is a proposed new bank, its acquisition by Applicant would not eliminate any existing or potential competition, nor would the concentration of banking resources be increased in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

With regard to convenience and needs considerations, the establishment and acquisition of Bank by Applicant could result in the increased availability of services for the residents of the area. To this extent, considerations relating to the convenience and needs of the community to be served are consistent with, and lend some weight toward, approval of the application.

However, in acting on an application by a bank holding company to expand its banking interests, the Board is required by the Bank Holding Company Act to consider the financial and managerial resources of the applicant holding company and of its subsidiaries. In the exercise of that respon-

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[1] All banking data are as of June 30, 1975, and reflect bank holding company formations and acquisitions approved by the Board through December 31, 1975.

[2] The San Antonio banking market is approximated by the San Antonio SMSA, which includes Bexar, Comal, and Guadalupe Counties.

sibility with respect to the present proposal, the Board finds that such considerations warrant denial of the application.

In regard to financial and managerial considerations, the Board notes that Applicant has experienced some difficulties that have placed a strain on its overall financial condition. Moreover, a number of recent management changes have occurred at Applicant and certain of its subsidiaries. In view of such circumstances, the Board believes that it would be inappropriate for Applicant to expand its banking interests at this time through the establishment of a new bank, since such action would divert the resources of Applicant from its existing operations at a time when those operations are requiring Applicant's full attention. Accordingly, the Board is of the view that considerations relating to financial and managerial resources lend weight toward denial of the application, and as adverse factors are not outweighed by any procompetitive effects or by benefits that would result in serving the convenience and needs of the community, it is the Board's judgment that approval of the application would not be in the public interest and that the application to acquire Bank should be denied.

By order of the Board of Governors, effective February 3, 1976.

Voting for this action: Vice Chairman Mitchell and Governors Holland, Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns.

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

First Tennessee National Corporation, Memphis, Tennessee

Order Approving Acquisition of Bank

First Tennessee National Corporation, Memphis, Tennessee, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act, 12 U.S.C. § 1842(a)(3), to acquire the shares of First Tennessee National Bank, Chattanooga, Tennessee ("Bank"), a *de novo* bank which will acquire assets and assume substantially all of the liabilities of Hamilton National Bank, Chattanooga, Tennessee ("Hamilton Bank"), total deposits of $461 million,[1] and operate the present offices of Hamilton Bank as branches.

Notice has been given to the Comptroller of the Currency in accordance with § 3(b) of the Act. The Comptroller has recommended approval of the application. In addition, the Board has solicited and considered herein the views of the United States Department of Justice. Public notice of the application is not required by the Act, and in view of the emergency situation set forth below, the Board has not followed its normal practice of affording interested parties the opportunity to submit comments and views. The Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant is the largest holding company in the State with 12 subsidiary banks and total deposits of $1,237.6 million. Bank has been formed to acquire certain assets and liabilities of the Hamilton National Bank, Chattanooga, Tennessee, which has been declared insolvent and placed in receivership by the Comptroller of the Currency on this date. In view of the insolvency of Hamilton Bank, the Board finds that any adverse effects on competition in any relevant banking market that would result from consummation of the acquisition are outweighed by the public interest considerations relating to the acquisition. Considerations relating to convenience and needs of the communities to be served lend very strong weight toward approval as the proposal will protect all depositors of Hamilton Bank and will insure the continued provision of banking services and the preservation of a competitor in that market.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as generally satifactory. In light of the insolvency of Hamilton Bank and the financial assistance being provided by the Federal Deposit Insurance Corporation for Bank, financial and managerial factors lend support to approval of Bank's acquisition. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

Applicant received the Board's approval to acquire Pioneer Bank, Chattanooga, Tennessee. As part of this transaction, however, Applicant has negotiated a termination of that contract. Accordingly, the Board's Order of March 12, 1975, approving Applicant's acquisition of Pioneer is hereby vacated.

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[1] Deposit data are as of June 30, 1975.

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

By order of the Board of Governors, effective February 16, 1976.

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

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Great Lakes Financial Corporation, Grand Rapids, Michigan

Order Approving Acquisition of Bank

Great Lakes Financial Corporation, Grand Rapids, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of First National Bank and Trust Company, Petoskey, Michigan ("Bank").

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

Applicant, the twelfth largest banking organization in Michigan, controls two banks with aggregate deposits of $422.8 million, representing 1.5 per cent of the total deposits in commercial banks in the State.[1] Acquisition of Bank (deposits of $51.1 million) would increase Applicant's share of commercial bank deposits in Michigan by .18 per cent and would have no appreciable effect upon the concentration of banking resources in Michigan.

Bank, the largest of seven banking organizations in the relevant market,[2] holds approximately 32 per cent of total market deposits. Applicant has no banking office in the relevant market of Bank, and the nearest office of any of Applicant's subsidiary banks to any office of Bank is approximately 175 miles away. No meaningful competition exists between any of Applicant's subsidiary banks and Bank, and it appears unlikely that such competition would develop in the future in view of the distances involved and Michigan's restrictive branching law. Although Applicant could enter the market *de novo* or through the acquisition of a smaller bank, it does not appear that Applicant's acquisition of Bank would have adverse effects on potential competition inasmuch as the proposal would not foreclose the entry of other holding companies into this market. Accordingly, on the basis of the facts of record, the Board concludes that competitive considerations are consistent with approval of the application.

Although Applicant will incur debt as a result of this acquisition, it does not appear that the debt servicing requirements over the 12-year amortization period will strain the capital positions of Applicant's present and proposed subsidiary banks. Moreover, Applicant's board of directors has adopted a resolution committing Applicant to maintaining adequate capital levels in its subsidiary banks, through retention of earnings or in the alternative through equity offerings or through dividend reductions if necessary. In view of the projected earnings of Applicant and the aforementioned commitment, it is the Board's view that considerations relating to financial and managerial resources are satisfactory and consistent with approval. It appears that the proposed affiliation of Bank with Applicant is likely to result in an expansion of the services presently offered by Bank. Considerations relating to the convenience and needs of the community to be served, therefore, lend some weight toward approval of the application. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated (a) before the thirtieth calendar day following the effective

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[1] Banking data are as June 30, 1975.

[2] The relevant banking market is approximated by Emmet and Charlevoix Counties.

date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors, effective February 27, 1976.

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

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Metro Insurance Agency, Inc., Kansas City, Missouri

Order Approving Acquisition of Bank

Metro Insurance Agency, Inc., Kansas City, Missouri, a registered bank holding company,[1] has applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(3)) to acquire 25 per cent of the voting shares of The Pleasant Hill Bank, Pleasant Hill, Missouri ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant currently has an interest in one bank[2] with total deposits of approximately $15.6 million, representing approximately .10 per cent of the total deposits in commercial banks in the State of Missouri and approximately .33 per cent of the total deposits in commercial banks in the relevant market.[3] (All banking data are as of June 30, 1975.) Acquisition of Bank (approximately $13.9 million in deposits) would increase Applicant's share of deposits in Missouri only slightly and would not lead to an undue concentration of banking resources in the relevant market.

Bank, the 69th largest banking organization in the relevant market, controls .30 per cent of the total deposits in commercial banks in that market and .09 per cent of the total deposits in commercial banks in the State. A distance of some 25 miles separates Applicant's subsidiary bank from Bank and it appears that there is little significant competition between Bank and Applicant's subsidiary bank. In addition, the principal shareholder of Applicant is also the principal shareholder and chairman of the board of directors of Bank. Therefore, on the basis of the record, the Board concludes that consummation of the proposal would not have significant adverse effects upon existing or future competition in any relevant area; accordingly, competitive considerations are consistent with approval of the application.

The financial condition and managerial resources of Applicant and Bank are considered satisfactory and future prospects for both appear favorable. Earnings prospects of Bank appear to provide Applicant the necessary financial flexibility to service the debt it will incur to acquire shares of Bank and to maintain an adequate capital position for Bank. Banking factors are consistent with approval of the application. Although there will be no change in management, management policies, or Bank's services or facilities, it does not appear that the banking needs of the Pleasant Hill community are going unserved. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Therefore, it is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

On the basis of the record, the application[4] is approved for the reasons summarized above. The

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[1] Applicant registered as a bank holding company in 1971 at the request of the Federal Reserve Bank of Kansas City, apparently on the premise that the Company controlled Metropolitan Bank, Kansas City, Missouri, by virtue of the fact that it owned 24.9 per cent of Metropolitan's stock and officers and employees of Company owned additional shares. Although a rebuttable presumption that Company controls Metropolitan Bank exists under § 225.2(b) of the Board's Regulation Y (12 CFR 225), the Board has made no formal determination that Applicant controls that bank.

[2] Applicant also engages in the following nonbanking activities: acting as an insurance agent with respect to insurance for the holding company and with respect to credit life insurance and credit accident insurance that is directly related to an extension of credit. Applicant has agreed to file a § 4(c)(8) application to continue to engage in its nonbanking activities.

[3] The relevant market is the Kansas City Standard Metropolitan Statistical Area excluding all of Ray County and the southern portion of Cass County.

[4] The Board today has also approved a related application by Peoples Credit Co., Kansas City, Missouri, to acquire shares of Bank.

transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective February 19, 1976.

Voting for this action: Chairman Burns and Governors Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Governors Mitchell and Holland.

Board action was taken while Governor Mitchell was a Board Member and before Governor Gardner became a Board Member.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Old Kent Financial Corporation, Grand Rapids, Michigan

Order Approving Acquisition of Bank

Old Kent Financial Corporation, Grand Rapids, Michigan ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 per cent of the voting shares of Old Kent Bank of Kentwood, Kentwood, Michigan ("Bank"), a proposed new bank. Bank is being organized for the primary purpose of taking over the business presently being carried on by The Woodland Mall Branch of Old Kent Bank and Trust Company ("Old Kent Bank"), Grand Rapids, Michigan, an existing subsidiary bank of Applicant. Accordingly, the present proposal is part of a plan whereby an existing branch of one of Applicant's subsidiaries would be converted into a full service bank.

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

Applicant, the sixth largest banking corporation in Michigan, controls four banks[1] with aggregate deposits of $901.9 million, representing approximately 3.1 per cent of total deposits held by commercial banks in the State.[2] Inasmuch as Bank will be assuming the business of an existing branch of one of Applicant's subsidiaries, the establishment of Bank as a *de novo* banking subsidiary of Applicant would neither immediately increase Applicant's share of deposits nor alter its rank in Michigan.

The Woodland Mall Branch of Old Kent Bank (deposits of $3.4 million) is presently located in Kentwood, Michigan, a suburb of Grand Rapids and, upon assuming the business of the branch, Bank will be competing in the Grand Rapids banking market.[3] Through the Old Kent Bank, Applicant controls $807.3 million in deposits, representing approximately 49 per cent of total deposits held by commercial banks in that market, and thereby ranks as the largest banking organization in the relevant banking market. The second largest banking organization in the relevant banking market controls approximately 22.8 per cent (as of June 30, 1974) of total market deposits and is also the eleventh largest banking organization in the State. In addition, the market's third largest banking organization controls approximately 20.3 per cent (as of June 30, 1974) of total market deposits and is the second largest banking organization in the State. Thirteen other banking organizations including the State's first, fifth, and tenth largest banking organizations, are also represented in the relevant banking market.

Although Applicant has banking offices located within the relevant banking market, its only presence within the city of Kentwood proper is The Woodland Mall Branch of Old Kent Bank. Several other banking organizations also operate banking offices within the city proper. Inasmuch as Applicant is seeking to convert a branch of Old Kent

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[1] In addition, by Order dated October 2, 1975, the Board approved the applications by Applicant, filed pursuant to § 3(a)(3) of the Act, to acquire 100 per cent of the voting shares of Old Kent Bank of Grandville, Grandville, Michigan, and Old Kent Bank of Wyoming, Wyoming, Michigan, both proposed new banks. [1975 Federal Reserve BULLETIN 813; 40 Federal Register 468360 (1975)].

[2] All banking data are as of June 30, 1975, unless otherwise indicated.

[3] The relevant banking market is the Grand Rapids banking market, which is approximated by the Grand Rapids RMA.

Bank into a *de novo* subsidiary bank of Applicant and the transaction is merely a part of an internal corporate reorganization, it appears that consummation of Applicant's proposal would not have any significant adverse effects upon existing or potential competition in the relevant market. Moreover, on the basis of the facts of record, it appears that consummation of this proposal would not significantly alter the structure of banking in the market nor materially alter Applicant's competitive position therein.

In its analysis of this application, the Board has also considered the objection received from a protesting party.[4] Protestant, Kentwood National Bank (deposits of $4.1 million) is the only unit bank that is located within the corporate limits of the city of Kentwood and, under Michigan law, is the only bank with branching privileges that is presently located in that city. Protestant is a small, recently chartered independent bank that has been operating for approximately two years and, although it has recently received approval to establish a branch within Kentwood, that branch has not yet been opened. Generally speaking, Protestant claims that consummation of the transaction would have adverse competitive effects in that it would likely: (1) increase concentration in the market; (2) adversely affect the possibility of eventual deconcentration of the market; and (3) adversely affect the competitive position of a smaller recently opened bank.

With respect to the first and second contentions of Protestant, the Board is unable to conclude from the facts of record that consummation of this proposal in and of itself would result in an increase in the concentration of banking resources within the Grand Rapids banking market or lessen the likelihood that the market would become less concentrated in the future. As noted above, the subject proposal is essentially a corporate reorganization in which an existing branch of Old Kent Bank will be "spun off" into a *de novo* subsidiary of Applicant. Consummation of the proposal would not have *any* effect on the amount of deposits under the control of Applicant and, therefore, it would not alter the concentration level within the market. Moreover, Bank will take over the present office of Old Kent Bank in Kentwood and continue banking operations from that site. Thus, this proposal would not result in the preemption of a banking site. Furthermore, given the prospects for continued growth in and around Kentwood, as well as the entire Grand Rapids market, it does not appear that consummation of Applicant's proposal would raise significant barriers to entry from organizations not presently represented in Kentwood or in the Grand Rapids market.

Turning to Protestant's final contention, namely, that consummation of the proposal would adversely affect its competitive position, the record indicates that the projected growth of the Kentwood area should be able to sustain the growth and profitability of both Protestant and Bank. The city of Kentwood, which is adjacent to the city of Grand Rapids, has a population in excess of 27,000. The city is primarily residential but has shown significant growth as a result of the expansion of metropolitan Grand Rapids. In addition, ample employment opportunities are being offered by business and industry, both of which are assuming greater importance in the area. In view of the economic prospects for the area, as well as Protestant's overall sound financial condition, it does not appear that Protestant would be placed at a serious competitive disadvantage vis à vis Bank as a result of this proposal.[5]

On the basis of the foregoing and the facts of record, including the submissions of both Protestant and the Commissioner of the Michigan Financial Institutions Bureau, the Board concludes that consummation of the proposed acquisition would not have significantly adverse effects upon existing competition nor would it foreclose the development of future competition and that competitive considerations are consistent with approval of the application.

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[4] The State of Michigan's Department of Commerce, Financial Institutions Bureau, issued approval on July 22, 1974, for the organization of Bank as a *de novo* subsidiary of Applicant. In a letter to the Bureau dated July 29, 1974, Protestant requested a reconsideration of that decision. Accordingly, a public hearing was held on October 16, 1974, before the Bureau, in which hearing a transcript was made, formal testimony was heard and exhibits were presented. Thereafter, on May 14, 1975, the Bureau issued an order affirming the approval of the previous *de novo* application. In a letter to the Federal Reserve Bank of Chicago, dated September 4, 1975, the Bureau, in response to that Bank's request for comments on the pending application, stated that it supported the subject application.

[5] As part of this proposal, Bank would become a State member bank of the Federal Reserve System and any additional branches that it may wish to open in the future could be established only with prior Board approval.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as satisfactory. Bank's future prospects as a subsidiary of Applicant appear favorable. Accordingly, considerations relating to the banking factors are consistent with approval of the application. Although Bank will be serving its customers as a relatively small banking subsidiary of Applicant, rather than as a branch of Old Kent Bank, it appears that considerations relating to the convenience and needs of the community to be served are also consistent with approval of the application. It is the Board's judgment that consummation of the proposed acquisition would be consistent with the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order nor (b) later than three months after that date, and (c) Old Kent Bank of Kentwood, Kentwood, Michigan, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described above in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors, effective February 9, 1976.

Voting for this action: Vice Chairman Mitchell and Governors Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns and Governors Holland and Wallich.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Old Kent Bank of Kentwood, Kentwood, Michigan

Order Approving Application for Acquisition of Assets of and Assumption of Liability to Pay Deposits in Branch

Old Kent Bank of Kentwood, Kentwood, Michigan ("Bank") a *de novo* State member bank of the Federal Reserve System, has applied for the Board's approval, pursuant to the Bank Merger Act (12 U.S.C. § 1828(c)), of the acquisition of the assets of and the assumption of the liability to pay deposits in The Woodland Mall Branch ("Branch") of Old Kent Bank and Trust Company, Grand Rapids, Michigan, a banking subsidiary of Old Kent Financial Corporation ("Corporation"), also located in Grand Rapids, Michigan. Upon consummation of the transaction, Branch will become a subsidiary bank of Corporation and acquire the name of Bank.

As required by the Act, notice of the proposed merger, in form approved by the Board, has been duly published, and the Board has requested reports on the competitive factors from the Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The Board also has considered the application in light of the factors set forth in the Act.

On the basis of the facts in the record, the application is approved for the reasons summarized in the Board's Order of this date relating to the application of Corporation to acquire Bank, provided that Bank's acquisition of the assets of and assumption of the liability to pay deposits made in Branch shall be made neither (a) before the thirtieth calendar day following the date of this Order, nor (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors, effective February 9, 1976.

Voting for this action: Vice Chairman Mitchell and Governors Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns and Governors Holland and Wallich.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Peoples Credit Co., Kansas City, Missouri

Order Approving Acquisition of Additional Shares of Bank

Peoples Credit Co., Kansas City, Missouri, a registered bank holding company,[1] has applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(3)) to acquire an additional 19.7 per cent of the voting shares of The Pleasant Hill Bank, Pleasant Hill, Missouri ("Bank").

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[1] See opposite page for footnote.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant currently has interests in six Missouri banks.[2] These six banks together held, as of September 30, 1975, total deposits of approximately $78.8 million representing approximately .5 per cent of total deposits in commercial banks in the State of Missouri. (Banking data are as of June 30, 1975, unless otherwise specified.) Bank holds total deposits of approximately $13.9 million, representing .09 per cent of the total deposits in commercial banks in the State and .30 per cent of the total deposits in the relevant market,[3] and is the 69th largest banking organization in the relevant market.

Applicant currently owns 24.9 per cent of the outstanding shares of Bank. Applicant proposes to acquire an additional 19.7 per cent of Bank's shares for cash as part of a plan to reorganize the holdings of the family of Applicant's principal shareholder. Since the principal shareholder of Applicant is also, as an individual, the principal shareholder of Bank, and the proposed acquisition by Applicant is part of a reorganization of family interests in a bank that Applicant already controls, consummation of the proposal would not have an adverse effect on existing or potential competition, would not increase concentration of banking resources and would not have an adverse effect on other banks in the area. Thus, competitive considerations are consistent with approval of the application.

The financial condition and managerial resources of Applicant and Bank are considered satisfactory and future prospects for both appear favorable. Banking factors are consistent with approval of the application. Although there will be no change in management, management policies, or Bank's services and facilities, it does not appear that the needs of the Pleasant Hill community are going unserved. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Therefore, it is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

On the basis of the record, the application[4] is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective February 19, 1976.

Voting for this action: Chairman Burns and Governors Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Governors Mitchell and Holland.

Board action was taken while Governor Mitchell was a Board Member and before Governor Gardner became a Board Member.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Republic of Texas Corporation, Dallas, Texas

Order Approving Acquisition of Banks

Republic of Texas Corporation, Dallas, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting

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[1] Applicant registered as a bank holding company in 1971 at the request of the Federal Reserve Bank of Kansas City, apparently on the premise that the Company controlled Metropolitan Bank, Kansas City, Missouri, by virtue of the fact that it owned 24.9 per cent of Metropolitan's stock and officers and employees of Company owned additional shares. Although a rebuttable presumption that Company controls Metropolitan Bank exists under § 225.2(b) of the Board's Regulation Y (12 CFR 225), the Board has made no formal determination that Applicant controls that bank.

[2] Applicant also engages in the following nonbanking activities: making or acquiring for its own account or for the account of others, loans and other extensions of credit and providing bookkeeping or data processing services for international operations of the company and storing and processing other banking, financial, or related economic data, including performing payroll, accounts receivable, and billing services. Applicant has agreed to file a § 4(c)(8) application to continue to engage in its nonbanking activities.

[3] The relevant market is the Kansas City SMSA excluding all of Ray County and the southern portion of Cass County.

[4] The Board today has also approved a related application by Metro Insurance Agency, Inc., Kansas City, Missouri, to acquire shares of Bank.

shares, less directors' qualifying shares, of the successors by merger to First National Bank of Henderson, Henderson, Texas ("Henderson Bank"), and First Bank in Groveton, Groveton, Texas ("Groveton Bank"). (Henderson Bank and Groveton Bank are together referred to herein as "Banks".) The banks into which Banks are to be merged have no significance except as a means to facilitate the acquisition of the voting shares of Banks. Accordingly the proposed acquisition of shares of the successor organizations is treated herein as the proposed acquisition of the shares of Banks.

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

Applicant, the fourth largest banking organization in Texas, controls three subsidiary banks with aggregate deposits of approximately $2.8 billion, representing approximately 6.5 per cent of total deposits in commercial banks in the State.[1] Applicant's acquisition of Banks (combined deposits of $34.8 million) would increase Applicant's share of commercial bank deposits in Texas by less than 0.1 per cent, and would not have any appreciable effect upon the concentration of banking resources in Texas.

Henderson Bank holds deposits of approximately $24.9 million, representing approximately 5.5 per cent of the total deposits in commercial banks in the relevant market, and is ranked 10th among 21 banking organizations operating therein.[2] Applicant's banking subsidiary closest to Henderson Bank is located in a separate banking market in Dallas, approximately 134 miles away, and no meaningful competition presently exists between any of Applicant's subsidiary banks and Henderson Bank. Moreover, there appears to be little likelihood for the development in the future of any significant amount of competition between these institutions in view of the distances involved and Texas' restrictive branching law. In addition, the market appears relatively unattractive for *de novo* entry since the relevant area is a sparsely populated, rural area, which has been experiencing a relatively low rate of growth. Accordingly, the Board concludes that competitive considerations are consistent with approval of the acquisition of Henderson Bank.

Groveton Bank holds deposits of approximately $9.9 million, representing approximately 54.7 per cent of the total deposits in commercial banks in the relevant market, and is the larger of the two banking organizations operating therein.[3] Applicant's banking subsidiary closest to Groveton Bank is located in a separate banking market in Houston, approximately 95 miles away, and no meaningful competition presently exists between any of Applicant's subsidiary banks and Groveton Bank. Nor does it appear likely that any significant competition between these institutions would develop in the future in view of the distances involved and Texas' restrictive branching law. In addition, the market appears relatively unattractive for *de novo* entry since the relevant area is a sparsely populated, rural area, which has been experiencing a relatively low rate of growth and which has a population-to-banking office ratio which is substantially below the State average. Accordingly, the Board concludes that competitive considerations are consistent with approval of the acquisition of Groveton Bank.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Banks are regarded as generally satisfactory and consistent with approval of the applications. Affiliation with Applicant would enable Banks to expand and improve the range of banking services presently offered to their respective customers, and to increase the availability of credit in both of the respective communities. Accordingly, considerations relating to the convenience and needs of the communities to be served are consistent with approval of the applications. It is the Board's judgment that the proposed acquisitions would be in the public interest and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The transactions shall not be made (a) before the thir-

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[1] All banking data are as of June 30, 1975, and reflect holding company formations and acquisitions approved through January 31, 1976.

[2] The Longview banking market is the relevant banking market and is approximated by Gregg, Harrison, and Rusk Counties.

[3] The relevant banking market is approximated by Trinity County.

tieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors, effective February 20, 1976.

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

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Trans Texas Bancorporation, Inc., El Paso, Texas

Order Approving Acquisition of Bank

Trans Texas Bancorporation, Inc., El Paso, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Chamizal National Bank, El Paso, Texas, ("Bank"), a proposed new bank.

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

Applicant, the fourteenth largest banking organization in the State, controls four banks with aggregate deposits of $384 million, representing less than 1 per cent of the total deposits of commercial banks in the State.[1] Since the application involves the acquisition of a proposed new bank, consummation of the proposal would not immediately increase Applicant's share of commercial bank deposits in the State.

Bank is to be located in the city of El Paso in the El Paso banking market.[2] Each of the four subsidiary banks that Applicant presently controls is located in the El Paso banking market. Two of the subsidiaries closest to Bank are located approximately three and five miles, respectively, from the proposed site of Bank. Since the proposal involves the establishment of a new bank, consummation of the subject acquisition would eliminate no existing competition, and no immediate increase in the concentration of banking resources would result therefrom. Although Applicant is the largest banking organization in the El Paso market in terms of total deposits, it competes with three other bank holding companies, including two of the State's largest banking organizations. Moreover, the El Paso area has shown substantial growth in recent years, as evidenced by the fact that six of the market's 19 banks opened during the last three years. In view of the prospects for the continued growth of the area, it appears that Applicant's proposed *de novo* expansion in this market would not deter new entries by other organizations not presently in the market. Accordingly, on the basis of the facts of record, the Board concludes that consummation of the proposal would not have any adverse effect on existing or potential competition in any relevant area.

The financial and managerial resources and prospects of Applicant and its subsidiary banks are regarded as generally satisfactory. Bank, as a proposed new bank, has no financial or operating history; however, its prospects as a subsidiary of Applicant appear favorable. Considerations relating to the banking factors are thus consistent with approval of the application. Considerations relating to the convenience and needs of the community to be served lend some weight toward approval of the application. The addition of a new bank in the rapidly growing El Paso area would provide a convenient alternative source of banking to the area residents. It is the Board's judgment that consummation of the proposal would be in the public interest and that the application should be approved.

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

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[1] All banking data are as of June 30, 1975, and reflect bank holding company formations and acquisitions approved by the Board through January 1, 1976.

[2] The El Paso banking market is approximated by the El Paso SMSA.

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

By order of the Board of Governors, effective February 2, 1976.

Voting for this action: Vice Chairman Mitchell and Governors Holland, Wallich, and Partee. Absent and not voting: Chairman Burns and Governors Coldwell and Jackson.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Orders Under Section 4 Of Bank Holding Company Act

Federated Capital Corporation, Houston, Texas

Order Approving Acquisition of Financial Protection Insurance Company of Texas

Federated Capital Corporation, Houston, Texas, 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 and section 225.4(b)(2) of the Board's Regulation Y, to engage *de novo*, through its currently inactive wholly-owned subsidiary, Financial Protection Insurance Company of Texas, Houston, Texas ("Company"), in the activity of underwriting credit life and credit accident and health insurance directly related to extensions of credit by Applicant's lending subsidiaries. Such activity has been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(10)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (40 Federal Register 32795 (1975)). The time for filing comments and views has expired, and the Board has considered all comments received in the light of the public interest factors set forth in section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the seventh largest bank holding company in Texas, controls six banks with aggregate deposits of $943 million, representing approximately 2.2 per cent of the total deposits in commercial banks in the State.[1] Company will engage *de novo* in the activity of underwriting, as a direct underwriter, of credit life and credit accident and health insurance directly related to extensions of credit by Applicant's lending subsidiaries. Company will also engage *de novo* in the reinsurance of insurance previously underwritten by an unaffiliated insurance company in connection with Applicant's extensions of credit. However, all new insurance will be directly underwritten by Company. Since this proposal involves a *de novo* activity, consummation of the transaction would not have any significant adverse effects on existing or potential competition in any relevant market.

Credit life and credit accident and health insurance is generally made available by banks and other lenders and is designed to assure repayment of a loan in the event of death or disability of the borrower. In connection with its addition of credit life underwriting to the list of permissible activities for bank holding companies, the Board stated:

> To assure that engaging in the underwriting of credit life and credit accident and health insurance can reasonably be expected to be in the public interest, the Board will only approve applications in which an applicant demonstrates that approval will benefit the consumer or result in other public benefits. Normally, such a showing would be made by a projected reduction in rates or increase in policy benefits due to bank holding company performance of this service.

Applicant has stated that, in the event of approval of its proposal, Company will offer reduced premiums for several types of credit insurance policies that it will underwrite. Company will offer decreasing term single and joint credit life insurance at a premium rate 3.4 per cent below the Texas statutory maximum and level term single and joint credit life insurance (on single payment loans) at a premium rate 3.7 per cent below the statutory maximum. Furthermore, Applicant proposes to lower by 5.0 per cent the premium rate for credit accident and health insurance currently charged by its direct underwriter. In addition, Applicant proposes to offer decreasing term joint credit life and credit accident and health insurance at two of its banking subsidiaries where such coverage is not presently available. The Board finds that Applicant's proposed premium rate reductions and increase in policy coverage are procompetitive and in the public interest.

Based upon the foregoing and other consid-

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[1] All banking data are as of June 30, 1975, and reflect bank holding company formations and acquisitions approved through December 31, 1975.

erations reflected in the record, the Board has determined, in accordance with the provisions of section 4(c)(8), that consummation of this proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective February 11, 1976.

Voting for this action: Vice Chairman Mitchell and Governors Holland, Wallich, and Partee. Voting against this action: Governors Coldwell and Jackson. Absent and not voting: Chairman Burns.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Dissenting Statement of Governor Coldwell

I would deny the application of Federated Capital Corporation to acquire Financial Protection Insurance Company of Texas.

As the Board noted in its recent denial of Applicant's proposal to acquire South Park National Bank, Applicant has experienced some difficulties that have placed a strain on its overall financial condition. In that decision, the Board concluded that it would be inappropriate for Applicant to expand its banking interests, since such action would divert Applicant's resources from its existing operations at a time when those operations are requiring Applicant's full attention. I totally agree with that reasoning but believe further that it applies with no less force to an application to expand in the nonbanking area.

Therefore, I would deny this application until significant improvements in Applicant's financial and managerial condition have been accomplished.

Southern Bancorporation, Inc., Greenville, South Carolina

Order Approving Acquisition of Imperial Finance Company, Inc.

Southern Bancorporation, Inc., Greenville, South Carolina ("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 and § 225.4(b)(2) of the Board's Regulation Y, to acquire indirectly all of the assets of Imperial Finance Company, Inc., Sumter, South Carolina ("Company"), through its wholly-owned subsidiary, World Acceptance Corporation, Greenville, South Carolina ("World Acceptance"). Company engages in the activities of making installment loans to individuals and acting as agent in the sale of credit-related life, accident and disability insurance. Such activities have been determined by the Board to be closely related to banking (12 C.F.R. 225.4(a)(1) and (9)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (41 Federal Register 2114). The time for filing comments and views has expired, and the Board has considered all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant, the fifth largest banking organization in South Carolina, controls two banks with deposits of approximately $270 million, representing approximately 7 per cent of the total deposits in commercial banks in the State.[1] Applicant's nonbanking subsidiaries are engaged in consumer finance and related credit insurance activities.

World Acceptance, with total assets of $6.1 million, is engaged in making personal installment loans to individuals through 52 branch offices located in South Carolina, Georgia, and Texas. In addition, it sells credit-related life, accident and health, and property and casualty insurance through offices located in South Carolina and Georgia. The Board approved Applicant's acquisition of World Acceptance at the time it granted approval of formation of Applicant in September 1973.

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[1] All banking data are as of June 30, 1975, unless otherwise indicated.

Company, with total assets of $110,494 (as of July 31, 1975), has operated one office, in Sumter, South Carolina, since December 31, 1971. It engages in making direct loans on an installment basis, primarily to individuals residing within a 10-mile radius of Sumter. Company also provides life and accident and health insurance relating to the extension of credit. Applicant proposes that upon consummation of this proposal Company will also engage in the sale of credit-related property and casualty insurance.

The relevant geographic market is approximated by Sumter County, South Carolina. The record indicates that consummation of this proposal would eliminate some slight degree of existing competition between Company and Applicant's subsidiary, World Finance Company of Sumter, South Carolina ("World Finance"), a subsidiary of World Acceptance, in the relevant market wherein the market share held by each approximates 1.1 per cent and 1.2 per cent, respectively. However, the elimination of existing competition appears negligible in view of the fact that, upon consummation of this proposal, Applicant would control only 2.3 per cent of the personal loan market, and 18 competing consumer finance companies (including several national and regional companies), as well as four commercial banks and a number of credit unions would remain in the market. In view of the large number of competitors in the market and the relatively small size of the operations of Company and World Finance in this area, it appears that no significant adverse effects on future competition would result from the proposal. On this basis, the Board concludes that Applicant's acquisition of Company would not have significant adverse effects on either existing or future competition nor raise barriers to entry by other organizations.

In considering this application, the Board has examined a covenant not to compete contained in an agreement of sale executed between World Finance and Company. The Board finds that the provisions of this covenant are reasonable in duration, scope, and geographic area and are consistent with the public interest.

It appears that consummation of this proposed transaction would not result in any undue concentration of resources, conflicts of interests, unsound banking practices, or any other adverse effects on the public interest. Applicant anticipates that the proposed affiliation will enable Company to offer higher risk loans and, as hereinbefore stated, proposes to expand the insurance activities of Company by introducing credit-related property and casualty insurance. These new services provide benefits to the public, which in the Board's opinion, outweigh any slightly adverse effects the proposal might have on existing competition in the relevant area.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8) of the Act, that Applicant's acquisition of Company can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. 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 Richmond pursuant to delegated authority.

By order of the Board of Governors, effective February 9, 1976.

Voting for this action: Vice Chairman Mitchell and Governors Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns and Governors Holland and Wallich.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Order for Hearing

Citizens and Southern Holding Company, Atlanta, Georgia

On January 24, 1972, Citizens and Southern Holding Company, Atlanta, Georgia (C&S Holding), submitted to the Federal Reserve Bank of Atlanta an application for permission to engage *de novo*, in eleven Georgia communities, in the activities of a mortgage company through a newly formed subsidiary, Citizens and Southern Mortgage Company, Inc., Atlanta, Georgia (C&S Mortgage). The application was submitted pursuant to section 4(c)(8) of the Bank Holding Company Act of 1956, as amended, 12 U.S.C. §

1843(c)(8), in the manner and form specified by Part 225.4(b)(1) of the Board's Regulation Y, 12 C.F.R. § 225.4(b)(1). The application proposed that C&S Mortgage would engage in the activities of:

(1) Making or acquiring, for its own account or for the account of others, loans and other extensions of credit (including issuing letters of credit and accepting drafts), such as would be made, for example, by a mortgage company;
(2) Servicing loans and other extensions of credit for any person;
(3) Acting as investment or financial adviser, including (i) serving as the advisory company for a mortgage or a real estate investment trust and (ii) furnishing economic or financial information.

On June 1, 1972, the Federal Reserve Bank of Atlanta, acting pursuant to authority delegated by the Board of Governors, 12 C.F.R. § 265.2(f)(20), approved the subject application. The Reserve Bank's action was then appealed to the Board, by a participant in the proceedings before the Reserve Bank, pursuant to Part 265.3 of the Board's Rules Regarding Delegation of Authority, 12 C.F.R. § 265.3. After reviewing the matter *de novo*, the Board issued an Order approving the subject application on August 31, 1973 (38 Federal Register 24932).

Upon judicial review of the Board's Order, the United States Court of Appeals for the District of Columbia Circuit has remanded the case to the Board with instructions to conduct a hearing on the application pursuant to the Board's Rules of Practice for Formal Hearings, 12 C.F.R. § 263. *Independent Bankers Association of Georgia v. Board of Governors of the Federal Reserve System*, 516 F.2d 1206 (D.C. Cir. 1975).

In remanding this case to the Board for a hearing, the Court of Appeals expressly directed the Board to consider whether C&S Mortgage's offices would constitute branch banks in violation of Federal and Georgia law; and the Court also concluded that "the Board erred in not honoring [Petitioner's] request for a hearing in which to develop its charges of 'undue concentration' and 'decreased competition.'" However, the Court held that the Board need not hold a hearing on two other issues raised by Petitioner that are legal issues on which the Board, in the Court of Appeals' view, reached correct conclusions of law. These latter two issues, which are not covered by the instant Order for Hearing, involve (1) the legality of the corporate structure of Citizens and Southern National Bank under 12 U.S.C. § 21 et seq., and (2) whether Citizens and Southern National Bank violated 12 U.S.C. § 24 when, in 1965, it merged under its sole ownership both the legal and beneficial interest in shares of stock of C&S Holding that had previously been held in trust for the benefit of the bank's own shareholders.

Accordingly, *it is hereby ordered* that a public hearing be held with respect to this application at the Federal Reserve Bank of Atlanta, Atlanta, Georgia 30303. Such hearing shall commence on a date to be designated by the Administrative Law Judge and shall be conducted in accordance with the Board's Rules of Practice for Formal Hearings (12 C.F.R. Part 263).

It is further ordered that the Board hereby designates the Honorable James W. Mast, a duly qualified Administrative Law Judge, to preside at the aforesaid hearing. The Administrative Law Judge may, in his discretion, convene a prehearing conference or conferences at any convenient time or place.

It is further ordered that the Board hereby designates Stephen L. Siciliano and Allan Schott, Board staff attorneys, to serve as Board counsel at the aforesaid hearing.

It is further ordered that the issue to be considered at the hearing is whether the acquisition of C&S Mortgage by C&S Holding can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. In balancing the public benefits and possible adverse effects, the question of whether C&S Mortgage's offices would constitute branch banks in violation of Federal and Georgia law, and the charges of undue concentration and decreased competition referred to by the Court of Appeals, will also be considered. This designation of specific questions to be considered is not intended to be exclusive and does not preclude consideration of additional related matters and questions at the discretion of the Administrative Law Judge.

It is further ordered, that any person desiring to give testimony, present evidence, or otherwise participate in these proceedings shall file with the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, on or before March 8, 1976, a written request containing a detailed statement of the nature of the requestor's interest in the proceedings, the extent of the participation desired, a summary of the matters concerning which the requestor desires to give testimony or submit evidence, and a statement of the reasons why effective presentation of those matters requires participation in the manner and to the extent requested. Any requestor seeking participation more extensive than the submission of written comments shall, in his statement to the Secretary, address the questions of whether he is likely to suffer injury in fact as a result of Board action on the application and whether his asserted interest is within the zone of interests protected by the Bank Holding Company Act, 12 U.S.C. § 1841 et seq. Any person desiring to submit substantive written comments on the application must file said comments with the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, on or before March 8, 1976. All such requests and comments will be submitted to the Administrative Law Judge for his determination—as to intervention, participation and admissibility—and persons submitting same will be notified of his decision. Failure to comply with any of the above requirements regarding submission of comments and requests for participation shall constitute sufficient ground for rejection by the Administrative Law Judge of such comments or requests. Petitioners in the Court of Appeals, the Independent Bankers Association of Georgia, will, in light of the Court's decision, be granted intervention as a matter of right upon submission of their request in conformity with these requirements. Submission of the names and identities of possible witnesses can be made to the Administrative Law Judge at such time as the date for the hearing has been determined, or at such other time as the Administrative Law Judge shall direct.

By order of the Board of Governors, effective February 13, 1976.

Voting for this action: Vice Chairman Mitchell, Governors Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns, and Governor Holland.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT—

By the Board of Governors

During February 1976, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	*Bank(s)*	*Board action (effective date)*	*Federal Register citation*
Abilene Company, Abilene, Kansas	The Abilene National Bank, Abilene, Kansas	2/10/76	41 F.R. 7178 2/17/76
First Bancorp, Inc., Corsicana, Texas	Hillsboro State Bank, Hillsboro, Texas	2/5/76	41 F.R. 6333 2/12/76
Great Lakes Financial Corporation, Grand Rapids, Michigan	First National Bank and Trust Company, Petosky, Michigan	2/27/76	41 F.R. 9935 3/8/76
Woodfield Investment Corporation, Schaumburg, Illinois	Woodfield Bank, Schaumburg, Illinois	2/18/76	41 F.R. 8831 3/1/76

Section 4

Applicant	Nonbanking company (or activity)	Board action (effective date)	Federal Register citation
West Point First National Co., Lincoln, Nebraska	First National of West Point Agency, Inc., West Point, Nebraska	2/13/76	41 F.R. 8232 2/25/76

Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Board action (effective date)	Federal Register citation
Central Missouri Bancshares, Inc., Smithton, Missouri	Exchange Bank of New Franklin, Missouri, New Franklin, Missouri, and The Smithton Bank, Smithton, Missouri	General insurance agency activities	2/6/76	41 F.R. 6804 2/13/76

By Federal Reserve Banks

During February 1976, applications were approved by the Federal Reserve Banks as listed below. The orders have been published in the Federal Register, and copies are available upon request to the Reserve Bank.

Section 3

Applicant	Bank(s)	Reserve Bank	Effective date	Federal Register citation
Chester Insurance Agency, Inc., Chester, Nebraska	State Bank of Chester, Chester, Nebraska	Kansas City	2/3/76	41 F.R. 6334 2/12/76
United Missouri Bancshares, Inc., Kansas City, Missouri	The Park Bank of St. Joseph, Missouri	Kansas City	2/3/76	41 F.R. 6335 2/12/76

ORDERS APPROVED UNDER BANK MERGER ACT—

Applicant	Bank(s)	Reserve Bank	Effective date	Federal Register citation
Massachusetts Bay Bancorp, Inc., Lawrence, Massachusetts	Yankee Bancorporation, Gloucester, Massachusetts	Boston	2/18/76	41 F.R. 8832 3/1/76
United Counties Trust Company, Elizabeth, New Jersey	Springfield State Bank, Springfield, New Jersey	New York	2/10/76	41 F.R. 8431 2/26/76

PENDING CASES INVOLVING THE BOARD OF GOVERNORS*

Association of Bank Travel Bureaus, Inc. v. *Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.

Memphis Trust Company v. *Board of Governors*, filed February 1976, U.S.D.C. for the Western District of Tennessee.

First Lincolnwood Corporation v. *Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.

Helen C. Hatten, et. al. v. *Board of Governors*, filed January 1976, U.S.D.C. for the District of Connecticut.

International Bank v. *Board of Governors*, filed December 1975, U.S.C.A. for the Sixth Circuit.

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

National Computer Analysts, Inc. v. *Decimus Corporation, et. al.*, filed November 1975, U.S.D.C. for the District of New Jersey.

Peter E. Blum v. *First National Holding Corporation*, filed November 1975, U.S.D.C. for the Northern District of Georgia.

Harlan National Co. v. *Board of Governors*, filed November 1975, U.S.C.A. for the Eighth Circuit.

Peter E. Blum v. *Morgan Guaranty Trust Co., et. al.*, filed October 1975, U.S.D.C. for the Northern District of Georgia.

†*A.R. Martin-Trigona* v. *Board of Governors, et. al.*, filed September 1975, U.S.D.C. for the Northern District of Illinois.

†*A.R. Martin-Trigona* v. *Board of Governors, et. al.*, filed September 1975, U.S.D.C. for the Northern District of Illinois, (motion for reconsideration).

Logan v. *Secretary of State, et. al.*, filed September 1975, U.S.D.C. for the District of Columbia.

Florida Association of Insurance Agents, Inc., v. *Board of Governors*, and *National Association of Insurance Agents, Inc.* v. *Board of Governors*, filed August 1975, actions consolidated in U.S.C.A. for the Fifth Circuit.

Henry M. Smith v. *National Bank of Boulder, et. al.*, filed June 1975, U.S.D.C. for the Northern District of Texas.

Bank of Boulder v. *Board of Governors, et. al.*, filed June 1975, U.S.C.A. for the Tenth Circuit.

‡*David R. Merrill, et. al.*, v. *Federal Open Market Committee of the Federal Reserve System*, filed May 1975, U.S.D.C. for the District of Columbia (motion for reconsideration).

Curvin J. Trone v. *United States*, filed April 1975, U.S. Court of Claims.

Richard S. Kaye v. *Arthur F. Burns, et. al.*, filed April 1975, U.S.D.C. for the Southern District of New York.

Louis J. Roussel v. *Board of Governors*, filed April 1975, U.S.D.C. for the Eastern District of Louisiana.

Georgia Association of Insurance Agents, et. al., v. *Board of Governors*, filed October 1974, U.S.C.A. for the Fifth Circuit.

Alabama Association of Insurance Agents, et. al., v. *Board of Governors*, filed July 1974, U.S.C.A. for the Fifth Circuit.

†*Investment Company Institute*, v. *Board of Governors*, dismissed July 1975, U.S.D.C. for the District of Columbia, appeal pending, U.S.C.A. for the District of Columbia Circuit.

†*George Brice, Jr., et. al.*, v. *Board of Governors*, filed April 1974, U.S.C.A. for the Ninth Circuit.

East Lansing State Bank v. *Board of Governors*, filed December 1973, U.S.C.A. for the Sixth Circuit.

†*Consumers Union of the United States, Inc., et. al.*, v. *Board of Governors*, filed September 1973, U.S.D.C. for the District of Columbia.

Bankers Trust New York Corporation v. *Board of Governors*, filed May 1973, U.S.C.A. for the Second Circuit.

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

†Decisions have been handed down in these cases, subject to appeals noted.

‡The Board of Governors is not named as a party in this action.

Announcements

SUPPLEMENTAL FINANCIAL REPORT

The Board of Governors on March 10, 1976, announced details of a four-part report that must be filed by large State member banks to supplement the basic quarterly financial reports required of all Federally regulated banks.

The four "large bank supplements" constitute an extension of the current overhaul of financial reporting to Federal regulators by banks, effective with reports for March 31, 1976. One principal objective of the revision is to provide the public with improved information as to the financial condition of banks. All parts of the revised reports, including the large-bank supplements, will be available to the public on request.

On December 17, 1975, the Board, together with other Federal bank regulatory agencies, announced changes to be required this year in the two basic financial reports the banks make to Federal regulators: the Report of Income and the Report of Condition.

The supplements to these two reports, effective with reports for March 31, 1976, apply to all State member banks with domestic and foreign assets at the end of 1975 of $300 million or more. The Comptroller of the Currency, which supervises national banks, and the Federal Deposit Insurance Corporation, which supervises Federally insured State nonmember banks, are requiring identical supplementary reports from banks with domestic and foreign assets of $300 million or more that report to them.

Examples of the forms that will be used in filing the supplements are being sent to the chief executive officer of each State member bank affected.

The large-bank supplements cover the following areas of information on banks' financial condition and operations:

> 1. *Remaining maturities of specified types of loans.* Information on the length of time five types of loans have yet to run before the loans are due to be paid off. This includes four types of loans at domestic offices—construction and land development loans; other loans secured primarily by real estate except 1- to 4-family residential property; commercial and industrial loans; and other loans except loans to individuals and on 1- to 4-family residences—and loans at the bank's foreign offices and at its Edge Act and Agreement subsidiaries.[1] Information is also required on the amount of loans whose interest rates are linked to the prime or other money market rates and the amounts not so linked.
>
> 2. *Maturity distribution of deposits.* This supplement requires information on time certificates of deposit of $100,000 or more issued by domestic offices and on total interest-bearing deposits in foreign offices, showing separately for each the amounts of such deposits that will mature in 3 months or less; over 3 months through 6 months; over 6 months through 1 year; and over 1 year.
>
> 3. *Securities held in trading accounts in domestic offices.* This report requires information on the current amount as of the date of the report, and also on the daily average for the period reported on, of the large banks' holdings in their trading accounts of four groups of securities: U.S. Treasury securities; other U.S. obligations of other U.S. Government agencies and corporations; obligations of States and political subdivisions; and other bonds, notes, and debentures.
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> 4. *Summary loan loss experience and reserve for possible loan losses.* Information is required on loan loss reserves at the beginning and end of the reporting period; changes during the period incident to mergers and absorptions; provisions for loan losses; and charge-offs and recoveries during the period for specified classes of loans at domestic offices and for loans at foreign offices.

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[1] Edge Act Corporations are Federally chartered corporations authorized to engage in international or foreign banking or other international or foreign financial operations. Agreement Corporations are State-chartered companies organized to conduct an international banking business in which a national bank is permitted to invest pursuant to an agreement with the Federal Reserve Board of Governors concerning the company's activities.

The large-bank supplements were developed following a proposal for supplementary large-bank reporting published for comment on October 1, 1975. Some additions to the large-bank supplements may be announced at a later time following further discussion with the Securities and Exchange Commission. As announced earlier, the Federal bank regulatory agencies will also introduce later this year a fully consolidated (foreign and domestic office) condition statement and also subsidiary condition and income reports to provide breakdowns between domestic and foreign operations.

REGULATION Q: Amendment

The Board of Governors on March 1, 1976, amended its Regulation Q to permit member commercial banks throughout New England to offer NOW accounts to their customers.

The action was taken in light of legislation effective February 27, 1976, authorizing NOW accounts in four additional New England States. Congress had previously authorized NOW accounts in Massachusetts and New Hampshire on an experimental basis.

A customer holding a NOW account may write negotiable orders of withdrawal (NOW's) against the account and at the same time receive interest on the funds retained in the account.

APPOINTMENT OF TWO FEDERAL RESERVE BANK PRESIDENTS

Roger Guffey, Senior Vice President, General Counsel, and Secretary of the Federal Reserve Bank of Kansas City, has been appointed President of the Bank, following the February 29 retirement of George H. Clay. Mr. Guffey, who joined the Bank in 1968, received B.S. and J.D. degrees from the University of Missouri at Columbia and has completed the Advanced Management Program at the Harvard University Graduate School of Business.

Lawrence K. Roos, Executive Vice President of the First National Bank in St. Louis, has been appointed President of the Federal Reserve Bank of St. Louis, effective March 22, 1976. A graduate of Yale University, Mr. Roos succeeds Darryl R. Francis, who retired at the end of February.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS:
Revision of Data

Data on aggregate reserves and member bank deposits, Table A13 in the BULLETIN, have been revised to reflect new seasonal factors. In addition, the aggregate reserve series reflect a new seasonal adjustment procedure. A brief description of this new procedure and a summary of the impact of seasonal factor changes on aggregate reserves and on member bank deposits will appear in a forthcoming BULLETIN article. Historical data are available on request from the Board's Banking Section, Division of Research and Statistics.

OTC MARGIN STOCKS:
Change in List

The Board of Governors announced on March 12, 1976, several changes in its List of OTC Margin Stocks that was issued in revised form on September 29, 1975. The changes are available on request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SYSTEM MEMBERSHIP:
Admission of State Bank

The following bank was admitted to membership in the Federal Reserve System during the period February 16, 1976, through March 15, 1976:

Maryland	
Thurmont	The Thurmont Bank

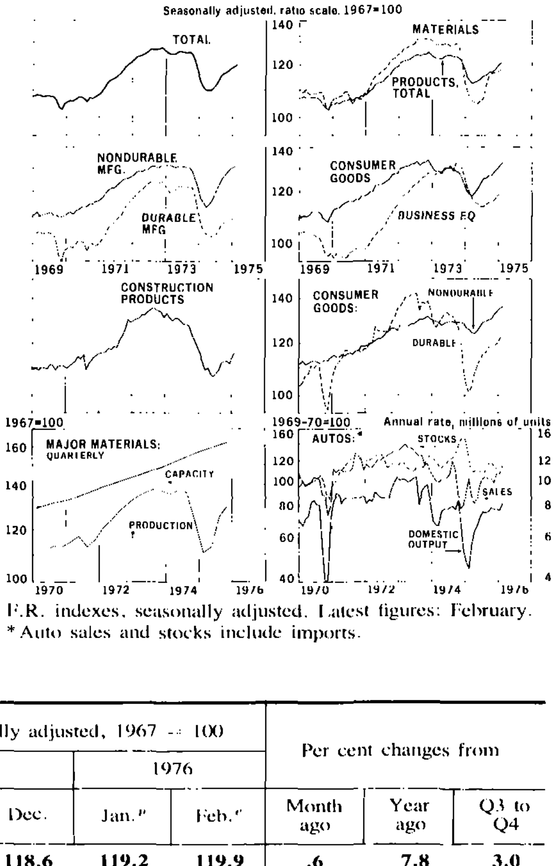
Industrial Production

Released for publication March 16

Industrial production increased an estimated 0.6 per cent in February following revised increases of 0.5 and 0.9 per cent in January and December, respectively. At 119.9 per cent of the 1967 average, the index has risen about 9 per cent since the April 1975 low. Increases in February were concentrated in automotive products and materials production.

Output of consumer durable goods increased as the result of a rise in auto production. Auto assemblies increased nearly 7 per cent to an annual rate of 8.1 million units. Reflecting recent strong sales, assemblies are scheduled at rates of 8.3 and 8.6 million units for March and April. Nondurable consumer goods production, which had already exceeded prerecession highs, advanced somewhat further in February. Business equipment is estimated to have been unchanged in February, following moderate increases since July.

Durable goods materials increased further in February—reflecting, in part, a rise in steel output. Following sharp gains in the second and third quarters of 1975, nondurable goods materials have increased at more moderate rates, which have continued in February.



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

Industrial production	Seasonally adjusted, 1967 = 100				Per cent changes from		
	1975		1976				
	Nov.	Dec.	Jan.ᵖ	Feb.ᵉ	Month ago	Year ago	Q3 to Q4
Total	**117.5**	**118.6**	**119.2**	**119.9**	**.6**	**7.8**	**3.0**
Products, total	117.9	119.5	120.6	120.9	.2	6.3	1.8
Final products	117.9	119.3	120.5	120.7	.2	6.4	1.6
Consumer goods	128.5	129.7	131.6	132.6	.8	11.5	1.9
Durable goods	118.8	119.8	121.8	123.2	1.1	22.0	1.8
Nondurable goods	132.7	133.9	135.3	135.9	.4	8.2	2.2
Business equipment	116.7	118.4	118.8	118.8	...	.4	1.8
Intermediate products	118.5	119.6	122.6	122.5	-.1	6.4	2.6
Construction products	112.5	111.6	115.4	116.0	.5	3.5	2.2
Materials	116.7	117.0	117.6	118.5	.8	10.3	5.0

ᵖPreliminary. ᵉEstimated.

Financial and Business Statistics

CONTENTS

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS

(In millions of dollars)

Period or date	Factors supplying reserve funds									
	Reserve Bank credit outstanding							Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding
	U.S. Govt. securities[1]			Loans	Float[3]	Other F.R. assets[4]	Total[5]			
	Total	Bought outright[2]	Held under repurchase agreement							
Averages of daily figures										
1939—Dec.	2,510	2,510	....	8	83	....	2,612	17,518	....	2,956
1941—Dec.	2,219	2,219	....	5	170	....	2,404	22,759	....	3,239
1945—Dec.	23,708	23,708	....	381	652	....	24,744	20,047	....	4,322
1950—Dec.	20,345	20,336	9	142	1,117	....	21,606	22,879	....	4,629
1960—Dec.	27,248	27,170	78	94	1,665	....	29,060	17,954	....	5,396
1969—Dec.	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367	....	6,841
1970—Dec.	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Dec.	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Dec.	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1975—Feb.	84,744	83,843	901	147	2,079	3,419	91,168	11,626	400	9,284
Mar.	84,847	84,398	449	106	1,994	3,142	90,819	11,620	400	9,362
Apr.	87,080	86,117	963	110	2,061	3,237	93,214	11,620	400	9,410
May	91,918	89,355	2,563	60	1,877	3,039	97,845	11,620	429	9,464
June	88,912	87,618	1,294	271	2,046	3,098	95,119	11,620	500	9,536
July	88,166	87,882	284	261	1,911	3,100	94,144	11,620	500	9,616
Aug.	86,829	86,348	481	211	1,691	2,953	92,395	11,604	500	9,721
Sept.	89,191	87,531	1,660	396	1,823	3,060	95,277	11,599	500	^{r}9,797
Oct.	90,476	89,547	929	191	1,945	3,521	96,931	11,599	500	9,877
Nov.	90,934	89,560	1,374	61	2,480	3,481	97,817	11,599	500	10,010
Dec.	92,108	91,225	883	127	3,029	3,534	99,651	11,599	500	10,094
1976—Jan.	92,998	91,524	1,474	79	2,684	3,505	100,172	11,599	500	10,177
Feb.^{p}	94,610	92,812	1,798	76	2,395	3,384	101,389	11,599	500	10,271
Week ending—										
1975—Dec. 3	91,961	90,887	1,074	66	2,661	3,279	98,850	11,599	500	10,102
10	89,531	89,009	522	28	2,347	3,486	96,170	11,599	500	10,081
17	90,625	90,625	....	44	2,626	3,557	97,585	11,599	500	10,087
24	94,134	92,580	1,554	219	3,144	3,356	101,720	11,599	500	10,099
31	94,468	92,978	1,490	253	4,634	3,466	103,807	11,599	500	10,118
1976—Jan. 7	94,151	92,462	1,689	67	3,450	3,501	102,215	11,599	500	10,119
14	90,940	90,940	....	45	2,846	3,414	97,987	11,599	500	10,139
21	91,705	91,070	635	153	2,380	3,373	98,361	11,599	500	10,157
28	94,040	91,480	2,560	58	2,401	3,622	101,088	11,599	500	10,246
Feb. 4	95,470	91,928	3,542	57	2,170	3,671	102,509	11,599	500	10,263
11	91,827	91,827	....	51	2,359	3,683	98,652	11,599	500	10,256
18^{p}	94,396	92,718	1,678	56	2,196	3,535	101,003	11,599	500	10,257
25^{p}	96,610	93,573	3,037	148	2,942	2,959	103,694	11,599	500	10,269
End of month										
1975—Dec.	94,124	92,789	1,335	211	3,688	3,312	102,461	11,599	500	10,218
1976—Jan.	96,588	91,850	4,738	66	1,620	3,676	103,180	11,599	500	10,275
Feb.^{p}	95,667	94,354	1,313	51	1,620	3,062	101,451	11,599	500	10,367
Wednesday										
1975—Dec. 3	90,231	89,597	634	66	2,811	3,370	97,416	11,599	500	10,077
10	88,758	88,758	....	31	3,273	4,302	97,088	11,599	500	10,087
17	89,885	89,885	....	66	3,635	3,631	97,943	11,599	500	10,087
24	94,459	92,777	1,682	1,263	4,856	3,366	104,914	11,599	500	10,099
31	94,124	92,789	1,335	211	3,688	3,312	102,461	11,599	500	10,218
1976—Jan. 7	91,872	90,810	1,062	41	3,586	3,443	99,896	11,599	500	10,138
14	91,507	91,507	....	48	3,448	3,362	99,100	11,599	500	10,142
21	92,068	92,068	....	843	2,387	3,395	99,429	11,599	500	10,243
28	98,344	91,833	6,511	138	2,594	3,668	105,900	11,599	500	10,250
Feb. 4	94,918	91,899	3,019	44	2,715	3,684	102,406	11,599	500	10,256
11	92,610	92,610	....	62	2,311	3,672	99,375	11,599	500	10,256
18^{p}	95,357	92,870	2,487	58	2,875	3,036	102,329	11,599	500	10,261
25^{p}	99,554	93,549	6,005	688	2,721	3,021	107,180	11,599	500	10,272

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[1] Includes Federal agency issues held under repurchase agreements beginning Dec. 1, 1966, and Federal agency issues bought outright beginning Sept. 29, 1971.

[2] Includes, beginning 1969, securities loaned—fully guaranteed by U.S. Govt. securities pledged with F.R. Banks, and excludes (if any), securities sold and scheduled to be bought back under matched sale-purchase transactions.

[3] Beginning 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.

[4] Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were netted together and reported as "Other F.R. accounts."

[5] Includes industrial loans and acceptances until Aug. 21, 1959, when industrial loan program was discontinued. For holdings of acceptances on Wed. and end-of-month dates, see p. A-10. See also note 3.

[6] Includes certain deposits of domestic nonmember banks and foreign owned banking institutions held with member banks and redeposited in

Notes continued on opposite page.

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—Continued

(In millions of dollars)

Factors absorbing reserve funds										
Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves with F.R. Banks			Other F.R. accounts[4]	Other F.R. liabilities and capital[4]	Member bank reserves			Period or date
		Treasury	Foreign	Other[3, 6]			With F.R. Banks	Currency and coin[7]	Total[8]	
										Averages of daily figures
7,609	2,402	616	739		248	....	11,473	....	11,473	..............1939—Dec.
10,985	2,189	592	1,531		292	....	12,812	....	12,812	..............1941—Dec.
28,452	2,269	625	1,247		493	....	16,027	....	16,027	..............1945—Dec.
27,806	1,290	615	920	353	739	....	17,391	....	17,391	..............1950—Dec.
33,019	408	522	250	495	1,029	....	16,688	2,595	19,283	..............1960—Dec.
53,591	656	1,194	146	458	....	2,192	23,071	4,960	28,031	..............1969—Dec.
57,013	427	849	145	735	....	2,265	23,925	5,340	29,265	..............1970—Dec.
61,060	453	1,926	290	728	....	2,287	25,653	5,676	31,329	..............1971—Dec.
66,060	350	1,449	272	631	....	2,362	24,830	6,095	31,353	..............1972—Dec.
71,646	323	1,892	406	717	....	2,942	28,352	6,635	35,068	..............1973 Dec.
78,951	220	1.741	357	874	....	3,266	29,767	7.174	36,941	..............1974—Dec.
76,979	236	2,374	317	711	....	3,358	28,503	7,062	35,565	..............1975—Feb.
77,692	277	1,887	363	958	....	3,076	27,948	6,831	34,779	....................Mar.
78,377	309	3,532	307	718	....	3,137	28,264	6,870	35,134	....................Apr.
79,102	326	8,115	262	746	....	3,231	27,576	6,916	34,492	....................May
80,607	355	3,353	272	989	....	3,191	28,007	6,969	34,976	....................June
81,758	358	2,207	269	711	....	3,135	27,442	7,213	34,655	....................July
81,822	368	818	274	660	....	3,096	27,183	7,299	34,482	....................Aug.
r81,907	r362	3,415	308	798	....	3,169	27,215	7,431	34,646	....................Sept.
82,215	387	4,940	271	632	....	3,208	27,254	7,313	34,567	....................Oct.
83,740	415	4,333	297	649	....	3,276	27,215	7,356	34,571	....................Nov.
85,810	452	3,955	259	906	....	3,247	27,215	7,773	[9]34,989	....................Dec.
84,625	496	5,903	287	916	....	3,225	26,995	8,445	[9]35,575	...............1976 Jan.
84,007	525	8,811	280	716	....	3,231	26,188	7,652	[9]33,979	....................Febp
										Week ending—
84,742	460	4,124	305	877	....	3,297	27,245	7,572	34,817	...........1975—Dec. 3
85,222	462	1,865	243	921	....	3,044	26,594	7,825	34,419	10
85,686	449	1,943	244	979	....	3,158	27,312	7,827	35,139	17
86,120	445	5,533	254	866	....	3,355	27,345	7,491	34,836	24
86,569	448	6,777	293	891	....	3,477	27,569	8,036	[9]35,611	31
86,011	478	5,939	278	1,185	....	3.059	27,483	7,937	[9]35,551	...........1976—Jan. 7
85,140	496	3.414	338	903	....	3.167	26,766	8.903	[9]35,802	14
84,288	519	4,040	304	922	....	3,219	27,324	8.733	[9]36,193	21
83,581	521	8,385	230	772	....	3,359	26,585	8.349	[9]35.072	28
83,406	537	9,805	268	730	....	3,312	26,815	8,116	[9]35.069	..................Feb. 4
83,951	529	6,966	247	688	....	3.038	25.590	8.050	[9]33,779	11
84,369	533	7.354	279	673	....	3.225	26,926	7,539	[9]34.604	......................18p
84,061	521	10.783	278	692	....	3.347	26,380	7,145	[9]33.664	......................25p
										End of month
86,547	483	7,285	353	1,090	....	2,968	26,052	8,036	[9]34,094	...............1975 Dec.
83,231	541	10,075	294	651	....	3.459	27,306	8.116	[9]35.560	...............1976 Jan.
83.878	500	10.366	412	809	....	3.396	24,555	7,573	[9]32.268	....................Feb.p
										Wednesday
85,146	478	2,289	229	796	....	3,011	27,643	7,572	35,215	...........1975 Dec. 3
85,773	460	1,032	238	1,846	....	3,093	26.832	7,825	34,657	10
86,033	438	4,007	226	897	....	3,214	25,314	7,827	33,141	17
86,608	434	6,491	253	925	....	3,471	28,930	7,491	36,421	24
86,547	483	7,285	353	1,090	....	2,968	26,052	8,036	[9]34,094	31
85.712	487	2,246	244	909	....	3.068	29.466	7.937	[9]37,534	...........1976—Jan. 7
84,950	502	4.217	235	969	....	3.166	27.301	8,903	[9]36,337	14
84,130	518	4.682	248	943	....	3.254	27.996	8,733	[9]36,865	21
83,609	513	10,360	209	627	....	3.427	29.503	8,349	[9]37.990	28
83,750	531	7,800	225	717	....	2,986	28,751	8,116	[9]37.005	..................Feb. 4
84.463	517	6.705	257	594	....	3,096	26,097	8,050	[9]34.286	11
84.584	523	9,603	252	501	....	3,224	26.003	7,539	[9]33.681	......................18p
84,135	523	10,836	261	975	....	3,435	29,385	7,145	[9]36,669	......................25p

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full with F.R. Banks in connection with voluntary participation by nonmember institutions in the F.R. System's program of credit restraint.

As of Dec. 12, 1974, the amount of voluntary nonmember and foreign-agency and branch deposits at F.R. Banks associated with marginal reserves are no longer reported. Deposits voluntarily held by agencies and branches of foreign banks operating in the United States as reserves and Euro-dollar liabilities are reported.

[7] Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning Jan. 1963, figures are estimated except weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

[8] Beginning week ended Nov. 15, 1972, includes $450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for transition period associated with bank adaptation to Regulation J as amended effective Nov. 9, 1972. For 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, $279 million; Q2, $172 million; Q3, $112 million; Q4, $84 million. For 1974, Q1, $67 million, Q2, $58 million. Transition period ended after 1974, Q2.

[9] Beginning with week ending Nov. 19, 1975, adjusted to include waivers of penalties for reserve deficiencies in accordance with Regulation D change effective Nov. 19, 1975.

For other notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Large banks[2]						All other banks	
	Reserves			Borrowings		New York City		City of Chicago		Other			
	Total held[1]	Required	Excess[1]	Total	Seasonal	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings
1939—Dec.	11,473	6,462	5,011	3	....	2,611	....	540	....	1,188	....	671	3
1941—Dec.	12,812	9,422	3,390	5	....	989	....	295	....	1,303	1	804	4
1945—Dec.	16,027	14,536	1,491	334	....	48	192	14	....	418	96	1,011	46
1950—Dec.	17,391	16,364	1,027	142	....	125	58	8	5	232	50	663	29
1960—Dec.	19,283	18,527	756	87	....	29	19	4	8	100	20	623	40
1965—Dec.	22,719	22,267	452	454	....	41	111	15	23	67	228	330	92
1967—Dec.	25,260	24,915	345	238	....	18	40	8	13	50	105	267	80
1968—Dec.	27,221	26,766	455	765	....	100	230	15	85	90	270	250	180
1969—Dec.	28,031	27,774	257	1,086	....	56	259	18	27	6	479	177	321
1970—Dec.	29,265	28,993	272	321	....	34	25	7	4	42	264	189	28
1971—Dec.	31,329	31,164	165	107	....	25	35	1	8	−35	22	174	42
1972—Dec.	31,353	31,134	219	1,049	....	−20	301	13	55	−42	429	−160	264
1973—Dec.	35,068	34,806	262	1,298	41	−23	74	43	28	28	761	133	435
1974—Dec.	36,941	36,602	339	703	32	132	80	5	18	39	323	163	282
1975—Feb.	35,565	35,333	232	147	10	31	37	17	10	41	29	143	71
Mar.	34,779	34,513	266	106	7	53	22	20	10	56	28	137	46
Apr.	35,134	35,014	120	110	7	32	25	−23	14	−4	38	115	33
May	34,492	34,493	−1	60	9	−28	24	−21	....	−89	13	137	23
June	34,976	34,428	548	271	11	142	90	47	2	217	114	142	65
July	34,655	34,687	−32	261	17	−22	54	−24	23	−118	62	132	122
Aug.	34,482	34,265	217	211	38	−18	14	5	1	98	51	132	145
Sept.	34,646	34,447	199	396	61	17	68	27	2	23	141	132	185
Oct.	34,567	34,411	156	191	65	42	31	−23	....	3	32	134	128
Nov.	34,571	34,281	290	61	28	50	7	34	....	42	5	164	49
Dec.	34,989	34,727	262	127	13	64	63	−18	....	89	26	127	38
1976—Jan.	35,575	35,366	209	79	9	52	9	−18	17	3	13	172	40
Feb.[p]	33,979	33,933	46	76	10	−223	20	−54	1	−141	16	166	39
Week ending—													
1975—Feb. 5	36,974	36,579	395	98	11	133	....	33	....	84	12	145	86
12	36,029	35,970	59	90	10	−37	6	−20	....	−5	15	121	69
19	35,118	34,960	158	229	11	....	140	−22	....	−18	20	198	69
26	34,606	34,447	159	180	10	−15	....	29	39	35	71	110	70
Aug. 6	34,553	34,354	199	180	29	13	....	10	....	31	14	145	166
13	34,163	34,147	16	179	35	−46	47	−22	6	−45	18	129	108
20	34,629	34,418	211	204	37	−4	....	19	....	73	77	123	127
27	34,470	34,174	296	272	40	127	15	−7	....	48	87	128	170
Sept. 3	34,529	34,228	301	222	50	28	....	24	....	81	58	168	164
10	34,098	34,104	6	385	53	−45	215	−31	....	−66	34	136	136
17	34,552	34,285	267	327	60	79	....	19	11	17	174	152	142
24	34,617	34,584	33	395	64	−66	79	−2	....	28	115	73	201
Oct. 1	35,444	34,982	462	581	73	149	....	2	....	147	304	164	277
8	34,260	34,284	−24	239	74	−83	....	16	....	−52	51	127	188
15	34,654	34,358	296	172	65	−9	39	33	....	94	12	178	121
22	34,576	34,577	−1	232	63	−8	97	−18	....	−35	22	60	113
29	34,715	34,437	278	94	60	102	....	15	....	33	7	128	87
Nov. 5	34,886	34,082	804	67	41	355	....	18	....	240	....	191	67
12	33,754	33,791	−37	39	26	−119	....	−6	....	−71	4	159	35
19	34,741	34,567	174	58	26	34	....	−1	....	7	11	134	47
26	34,684	34,500	184	73	26	3	16	20	....	55	3	106	54
Dec. 3	34,817	34,504	313	66	21	119	16	−18	....	61	6	151	44
10	34,419	34,276	143	28	14	−56	....	26	....	37	1	136	27
17	35,139	34,906	233	44	13	111	....	−12	....	6	11	128	33
24	34,836	34,625	211	219	12	7	140	−5	....	75	42	134	37
31	[3]35,611	35,197	414	253	13	57	140	20	....	129	57	208	56
1976—Jan. 7	[3]35,551	35,227	324	67	10	59	....	−12	....	102	11	175	56
14	[3]35,802	35,639	163	45	8	71	....	−2	....	−94	2	188	43
21	[3]36,193	35,996	197	153	10	−62	28	−2	77	91	18	170	30
28	[3]35,072	34,907	165	58	8	49	10	28	....	−23	15	111	33
Feb. 4	[3]35,069	34,652	417	57	12	94	....	−14	....	139	16	198	41
11	[3]33,779	33,729	50	51	12	−83	....	20	....	−31	14	144	37
18[p]	[3]34,604	34,034	570	56	10	121	....	−23	4	−154	10	222	42
25[p]	[3]33,664	33,770	−106	148	10	−276	82	−48	....	−251	24	71	42

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[1] Beginning with week ending Nov. 15, 1972, includes $450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, $279 million; Q2, $172 million; Q3, $112 million; Q4, $84 million. Beginning 1974, Q1, $67 million; Q2, $58 million. Transition period ended after second quarter, 1974. For weeks for which figures are preliminary, figures by class of bank do not add to the total because adjusted data by class are not available.

[2] Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than $400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Large" and "All other" parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

[3] Beginning with week ending Nov. 19, 1975, adjusted to include waivers of penalties for reserve deficiencies in accordance with Regulation D change effective Nov. 19, 1975.

NOTE.—Monthly and weekly data are averages of daily figures within the month or week, respectively.

Borrowings at F. R. Banks: Based on closing figures.

Effective Apr. 19, 1973, the Board's Regulation A, which governs lending by F.R. Banks, was revised to assist smaller member banks to meet the seasonal borrowing needs of their communities.

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves[1]	Less		Net surplus, or deficit (–)		Gross transactions		Total two-way transactions[2]	Net transactions		Loans to dealers[3]	Borrowings from dealers[4]	Net loans
		Borrowings at F.R. Banks	Net interbank Federal funds trans.	Amount	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks			
Total—46 banks													
1976 Jan. 7	120	6	11,696	-11,583	71.3	19,175	7,478	5,623	13,552	1,856	3,293	574	2,720
14	15	....	16,144	-16,130	97.4	22,350	6,206	4,877	17,473	1,329	3,099	376	2,723
21	1	105	14,039	-14,145	84.7	19,657	5,617	4,943	14,714	675	2,989	322	2,667
28	85	10	12,112	−12,038	76.5	18,363	6,250	5,290	13,072	960	2,298	476	1,822
Feb. 4	210	....	11.595	11,385	72.4	18,090	6.496	5.544	12.547	952	2,432	436	1,996
11	56	2	16.605	16.551	108.6	23.009	6.405	5.584	17.426	821	2,562	285	2,277
18	212	....	14,526	14,315	92.1	21,194	6,668	6.246	14,948	422	2.074	297	1,777
25	-35	86	13,149	13.270	87.8	18,675	5,527	5.006	13,669	520	2.133	414	1,718
8 in New York City													
1976—Jan. 7	25	....	3,130	-3,106	45.9	4,775	1,645	1,141	3,634	504	1,536	180	1,356
14	51	....	5,574	-5,523	79.8	6,277	704	583	5,694	121	1,655	103	1,552
21	23	28	3,382	-3,433	49.6	4,261	879	695	3,566	184	1,384	78	1,307
28	18	10	2,632	2,625	41.3	3,914	1,282	997	2,917	285	1,072	87	985
Feb. 4	113	....	2,479	-2,367	36.5	3,735	1.256	1,108	2.627	147	1,301	104	1.197
11	-17	....	5.645	5.662	90.8	6,341	696	696	5.645	....	1.418	81	1,337
18	176	....	3.849	-3.673	56.9	5,152	1,304	1.304	3.849	....	1.061	116	946
25	-47	82	3,591	-3,720	60.3	4,263	672	672	3,590	....	1,295	97	1.199
38 outside New York City													
1976—Jan. 7	94	6	8,566	-8,478	89.5	14,399	5,833	4,481	9,918	1,352	1,757	394	1,363
14	-36	....	10,571	-10,607	110.0	16,072	5,502	4,294	11.778	1,208	1,444	274	1,170
21	22	77	10,657	-10,712	109.6	15,396	4,739	4,248	11,148	491	1,605	245	1,360
28	67	....	9,480	-9,413	100.5	14,449	4,969	4,294	10,155	675	1,226	389	837
Feb. 4	97	....	9,115	9.018	97.7	14,356	5.240	4,435	9.920	805	1.131	332	799
11	72	2	10,960	10.889	120.9	16,669	5.709	4,888	11.781	821	1.145	204	941
18	36	....	10,678	10,642	117.0	16.042	5.364	4,942	11.100	422	1,013	182	832
25	12	4	9.558	-9.550	106.8	14,413	4.854	4,334	10,079	520	837	318	520
5 in City of Chicago													
1976—Jan. 7	-3	....	4,428	4,431	267.6	5,273	845	828	4.445	17	566	....	566
14	-8	....	5,433	-5,441	321.0	6,326	893	863	5.464	31	589	....	589
21	-6	77	5,065	-5,149	297.5	6,109	1,044	1,025	5,084	19	571	....	571
28	27	....	4,455	-4,428	276.4	5,692	1,238	1,213	4,479	25	449	....	449
Feb. 4	12	....	4,459	4,447	278.3	5,707	1.248	1,223	4.484	25	388	....	388
11	27	....	5,096	-5,069	321.8	6,236	1,140	1,109	5.128	32	425	....	425
18	16	....	4.754	4,738	292.7	6,117	1,363	1,324	4.793	39	400	....	400
25	1	....	4,022	-4.023	256.1	5,451	1.429	1,393	4,057	35	320	....	320
33 others													
1976—Jan. 7	98	6	4,138	-4,046	51.8	9,126	4,988	3,653	5,473	1,335	1,191	394	797
14	-28	....	5,137	-5,165	65.0	9,746	4,609	3,432	6,315	1,177	855	274	582
21	28	....	5,592	-5,564	69.1	9,287	3,695	3,223	6,064	472	1,033	245	789
28	40	....	5,026	-4,985	64.2	8,757	3,731	3,081	5,676	651	777	389	388
Feb. 4	85	....	4,656	-4,571	59.9	8,648	3.992	3,212	5,437	781	744	332	412
11	46	2	5,864	5,820	78.3	10,432	4,569	3,779	6,653	790	720	204	516
18	20	....	5,924	-5,904	79.0	9,925	4,001	3,618	6.307	383	613	182	432
25	14	4	5.536	5,527	75.0	8,962	3,426	2,941	6,021	485	517	318	200

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[1] Based upon reserve balances, including all adjustments applicable to the reporting period. Prior to Sept. 25, 1968, carryover reserve deficiencies, if any, were deducted. Excess reserves for later periods are net of all carryover reserves. Beginning with week ending Jan. 7, 1976, adjusted to include waivers of penalties for reserve deficiencies in accordance with Regulation D change effective Nov. 19, 1975.

[2] Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's weekly average purchases and sales are offsetting.

[3] Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases of securities from dealers subject to resale), or other lending arrangements.

[4] Federal funds borrowed, net funds acquired from each dealer by clearing banks, reverse repurchase agreements (sales of securities to dealers subject to repurchase), resale agreements, and borrowings secured by Govt. or other issues.

NOTE.—Weekly averages of daily figures. For description of series and back data, see Aug. 1964 BULLETIN, pp. 944–74.

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks—									Loans to all others under last par. Sec. 13[4]		
	Under Secs. 13 and 13a[1]			Under Sec. 10(b)[2]								
				Regular rate			Special rate[3]					
	Rate on 2/29/76	Effective date	Previous rate	Rate on 2/29/76	Effective date	Previous rate	Rate on 2/29/76	Effective date[3]	Previous rate	Rate on 2/29/76	Effective date	Previous rate
Boston	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
New York	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Philadelphia	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Cleveland	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Richmond	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Atlanta	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Chicago	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
St. Louis	5½	1/23/76	6	6	1/23/76	6½	6½	1/23/76	7	8½	1/23/76	9
Minneapolis	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Kansas City	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Dallas	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
San Francisco	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9

[1] Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations or any other obligations eligible for F.R. Bank purchase.

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

[3] Applicable to special advances described in Section 201.2(e)(2) of Regulation A.

[4] Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof.

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1955	2½	2½
1956—Apr. 13	2½-3	2¾
20	2¾-3	2¾
Aug. 24	2¾-3	3
31	3	3
1957—Aug. 9	3 -3½	3
23	3½	3½
Nov. 15	3 -3½	3
Dec. 2	3	3
1958—Jan. 22	2¾-3	3
24	2¾-3	2¾
Mar. 7	2¼-3	2¼
13	2¼-2¾	2¼
21	2¼	2¼
Apr. 18	1¾-2¼	1¾
May 9	1¾	1¾
Aug. 15	1¾-2	1¾
Sept. 12	1¾-2	2
23	2	2
Oct. 24	2 -2½	2
Nov. 7	2½	2½
1959—Mar. 6	2½-3	3
16	3	3
May 29	3 -3½	3½
June 12	3½	3½
Sept. 11	3½-4	4
18	4	4
1960—June 3	3½-4	4
10	3½-4	3½
14	3½	3½
Aug. 12	3 -3½	3
Sept. 9	3	3
1963—July 17	3 -3½	3½
26	3½	3½
1964—Nov. 24	3½-4	4
30	4	4
1965—Dec. 6	4 -4½	4½
13	4½	4½
1967—Apr. 7	4 -4½	4
14	4	4
Nov. 20	4 -4½	4½
27	4½	4½
1968—Mar. 15	4½-5	4½
22	5	5
Apr. 19	5 -5½	5½
26	5½	5½
Aug. 16	5¼-5½	5½
30	5¼	5¼
Dec. 18	5¼-5½	5½
20	5½	5½
1969—Apr. 4	5½-6	6
8	6	6
1970—Nov. 11	5¾-6	6
13	5¾-6	5¾
16	5¾	5¾
Dec. 1	5½-5¾	5¾
4	5½-5¾	5½
11	5½	5½
1971—Jan. 8	5¼-5½	5¼
15	5¼	5¼
19	5 -5¼	5¼
22	5 -5¼	5
29	5	5
Feb. 13	4¾-5	5
19	4¾	4¾
July 16	4¾-5	5
23	5	5
1971—Nov. 11	4¾-5	5
19	4¾	4¾
Dec. 13	4½-4¾	4¾
17	4½-4¾	4½
24	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
1976—Jan. 19	5½-6	5½
23	5½	5½
In effect, Feb. 29, 1976	5½	5½

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1956, see *Banking and Monetary Statistics*, 1943, pp. 439–42, and Supplement to Section 12, p. 31.

RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

(Deposit intervals are in millions of dollars. Requirements are in per cent of deposits.)

Effective date [1]	Net demand [2]				Time [3] (all classes of banks)		
	Reserve city		Other		Savings	Other time	
	0-5	Over 5	0-5	Over 5		0-5	Over 5
In effect Jan. 1, 1963	16½		12		4		
1966—July 14, 21	....	....	....	....	4	4	5
Sept. 8, 15	....	....	....	....	....	....	6
1967—Mar. 2	....	....	....	....	3½	3½	....
Mar. 16	....	....	....	....	3	3	....
1968—Jan. 11, 18	16½	17	12	12½	....	....	....
1969—Apr. 17	17	17½	12½	13	....	....	....
1970—Oct. 1	....	....	....	....	....	....	5

Beginning Nov. 9, 1972

Effective date	Net demand [2,4]					Time [3]						
							Other time					
	0-2	2-10	10-100	100-400	Over 400	Savings	0-5, maturing in—			Over 5[5], maturing in—		
							30-179 days	180 days to 4 years	4 years or more	30-179 days	180 days to 4 years	4 years or more
1972—Nov. 9	8	10	12	[6] 16½	17½	[7] 3	[7] 3			[7] 5		
Nov. 16	....	....	....	13	....	....	....			....		
1973—July 19	....	10½	12½	13½	18	....	....			....		
1974—Dec. 12	....	....	....	....	17½	....	....			6	3	
1975—Feb. 13	7½	10	12	13	16½	....	....			....	....	
Oct. 30	....	....	....	....	....	....	3		[8] 1	....	3	[8] 1
1976—Jan. 8	....	....	....	....	....	....	3	[8] 2½	....	....	[8] 2½	....
In effect Feb. 29, 1976	7½	10	12	13	16½	3	3	[8] 2½	[8] 1	6	[8] 2½	[8] 1

Present legal limits:	*Minimum*	*Maximum*
Net demand deposits, reserve city banks	10	22
Net demand deposits, other banks	7	14
Time deposits	3	10

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[1] When two dates are shown, the first applies to the change at reserve city banks and the second to the change at country banks. For changes prior to 1963 see Board's *Annual Reports*.

[2] (a) Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank.

(c) Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Since June 21, 1973, loans aggregating $100,000 or less to any U.S. resident have been excluded from computations, as have total loans of a bank to U.S. residents if not exceeding $1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. The reserve percentage applicable to each of these classifications is 4 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, was reduced to 8 per cent effective June 21, 1973, and was reduced to the current 4 per cent effective May 22, 1975. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve-free bases were eliminated. For details, see Regulations D and M.

[3] Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits. Beginning Nov. 10, 1975, profitmaking businesses may maintain savings deposits of $150,000 or less at member banks. For details of 1975 action, see Regulations D and Q, and also BULLETINS for Oct., p. 708, and Nov., p. 769.

Notes 2(b) and 2(c) above are also relevant to time deposits.

[4] Effective Nov. 9, 1972, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each member bank will maintain reserves related to the size of its net demand deposits. The new reserve city designations are as follows: A bank having net demand deposits of more than $400 million is considered to have the character of business of a reserve city bank, and the presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of $400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see Regulation D and appropriate supplements and amendments.

[5] A marginal reserve requirement was in effect between June 21, 1973, and Dec. 11, 1974, against increases in the aggregate of the following types of obligations: (a) outstanding time deposits of $100,000 or more, (b) outstanding funds obtained by the bank through issuance by a bank's affiliate of obligations subject to existing reserve requirements on time deposits, and (c) beginning July 12, 1973, funds from sales of finance bills. The requirement applied to balances above a specified base, but was not applicable to banks having obligations of these types aggregating less than $10 million. For details, including percentages and maturity classifications, see "Announcements" in BULLETINS for May, July, Sept., and Dec. 1973 and Sept. and Nov. 1974.

[6] The 16½ per cent requirement applied for one week, only to former reserve city banks. For other banks, the 13 per cent requirement was continued in this deposit interval.

[7] See columns above for earliest effective date of this rate.

[8] The average of reserves on savings and other time deposits must be at least 3 per cent, the minimum specified by law. For details, see Regulation D.

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

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966—June 30, 1973

Type and size of deposit	Effective date: July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970
Savings deposits	4	4	4	4½
Other time deposits:[1]				
Multiple maturity:[2]				
30-89 days	4	4	4	4½
90 days to 1 year	5	5	5	5
1–2 years				5½
2 years or more				5¾
Single-maturity:				
Less than $100,000:				
30 days to 1 year	5½	5	5	5
1–2 years				5½
2 years or more				5¾
$100,000 or more:				
30-59 days	5½	5½	5½	(3)
60–89 days			5¾	(3)
90–179 days			6	(3)
180 days to 1 year			6¼	(3)
1 year or more			6¼	(3)

Rates beginning July 1, 1973

Type and size of deposit	Effective date: July 1, 1973	Nov. 1, 1973	Nov. 27, 1974	Dec. 23, 1974
Savings deposits	5	5	5	5
Other time deposits (multiple- and single-maturity):[1], [2]				
Less than $100,000:				
30–89 days	5	5	5	5
90 days to 1 year	5½	5½	5½	5½
1–2½ years	6	6	6	6
2½ years or more	6½	6½	6½	6½
Minimum denomination of $1,000:[4]				
4–6 years	(5)	7¼	7¼	7¼
6 years or more				7½
Governmental units	(6)	(6)	7½	7¾
$100,000 or more	(3)	(3)	(3)	(3)

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[1] For exceptions with respect to certain foreign time deposits, see **Bulletin** for Feb. 1968, p. 167.

[2] Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

[3] Maximum rates on all single-maturity time deposits in denominations of $100,000 or more have been suspended. Rates that were effective Jan. 21, 1970, and the dates when they were suspended are:

30-59 days	6¼ per cent	June 24, 1970
60-89 days	6½ per cent	
90-179 days	6¾ per cent	May 16, 1973
180 days to 1 year	7 per cent	
1 year or more	7½ per cent	

Rates on multiple-maturity time deposits in denominations of $100,000 or more were suspended July 16, 1973, when the distinction between single- and multiple-maturing deposits was eliminated.

[4] Effective Dec. 4, 1975, the $1,000 minimum denomination does not apply to time deposits representing funds contributed to an Individual Retirement Account established pursuant to 26 U.S.C. (I.R.C. 1954) §408.

[5] Between July 1 and Oct. 31, 1973, there was no ceiling for certificates *maturing in 4 years or more with minimum denominations of $1,000.* The amount of such certificates that a bank could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ per cent ceiling that applies to time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, a ceiling rate of 7¼ per cent was imposed on certificates maturing in 4 years or more with minimum denominations of $1,000. There is no limiation on the amount of these certificates that banks may issue.

[6] Prior to Nov. 27, 1974, no distinction was made between the time deposits of governmental units and of other holders, insofar as Regulation Q ceilings on rates payable were concerned. Effective Nov. 27, 1974, governmental units were permitted to hold savings deposits and could receive interest rates on time deposits with denominations under $100,000 irrespective of maturity, as high as the maximum rate permitted on such deposits at any Federally insured depositary institution.

Note.—Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation Q; however, a member bank may not pay a rate in excess of the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as *those in effect for member banks.*

For previous changes, see earlier issues of the **Bulletin**.

MARGIN REQUIREMENTS

(Per cent of market value)

Period: Beginning date	Period: Ending date	For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks): On margin stocks: T	On margin stocks: U	On margin stocks: G	On convertible bonds: T	On convertible bonds: U	On convertible bonds: G	On short sales (T)
1937—Nov. 1	1945—Feb. 4	40						50
1945—Feb. 5	July 4	50						50
July 5	1946—Jan. 20	75						75
1946—Jan. 21	1947—Jan. 31	100						100
1947—Feb. 1	1949—Mar. 29	75						75
1949—Mar. 30	1951—Jan. 16	50						50
1951—Jan. 17	1953—Feb. 19	75						75
1953—Feb. 20	1955—Jan. 3	50						50
1955—Jan. 4	Apr. 22	60						60
Apr. 23	1958—Jan. 15	70						70
1958—Jan. 16	Aug. 4	50						50
Aug. 5	Oct. 15	70						70
Oct. 16	1960—July 27	90						90
1960—July 28	1962—July 9	70						70
1962—July 10	1963—Nov. 5	50						50
1963—Nov. 6	1968—Mar. 10	70						70
1968—Mar. 11	June 7	70			50			70
June 8	1970—May 5	80			60			80
1970—May 6	1971—Dec. 3	65			50			65
1971—Dec. 6	1972—Nov. 22	55			50			55
1972—Nov. 24	1974—Jan. 2	65			50			65
Effective Jan. 3, 1974		50			50			50

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

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

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(*In millions of dollars*)

Period	Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale purchase transactions)														
	Treasury bills[1]			Others within 1 year[2]			1–5 years			5–10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970	11,074	5,214	2,160	99	......	−3,483	848	......	5,430	249	......	−1,845	93	......	−102
1971	8,896	3,642	1,064	1,036	......	−6,462	1,338	......	4,672	933	......	685	311	......	150
1972	8,522	6,467	2,545	125	......	2,933	789	......	−1,405	539	......	−2,094	167	......	250
1973	15,517	4,880	3,405	1,396	......	−140	579	......	−2,028	500	......	895	129	......	87
1974	11,660	5,830	4,550	450	......	−1,314	797	......	697	434	......	1,675	196	......	205
1975	11,562	5,599	6,431	3,886	......	−3,553	2,863	......	4,275	1,510	......	4,697	1,070	......	848
1975—Jan.	341	945	600	14	......	....	305	......	....	61	......	....	26	......	....
Feb.	357	460	900	....	......	2,437	129	......	−2,836	113	......	249	74	......	150
Mar.	760	156	487	1,579	......	1,494	361	......	194	450	......	....	212	......	....
Apr.	2,119	318	506	148	......	....	485	......	....	274	......	....	164	......	....
May	903	354	407	50	......	−3,131	....	......	6,635	....	......	−3,801	....	......	298
June	421	161	612	20	......	691	488	......	−529	180	......	....	109	......	....
July	....	1,505	800	....	......	....	....	......	....	....	......	....	....	......	....
Aug.	312	282	400	2,002	......	2,144	150	......	1,299	64	......	−1,444	47	......	300
Sept.	2,118	......	200	....	......	278	562	......	−278	137	......	....	124	......	....
Oct.	1,263	766	400	....	......	48	....	......	−48	....	......	....	....	......	....
Nov.	983	652	919	43	......	−265	267	......	−135	155	......	300	244	......	100
Dec.	1,984	......	200	31	......	28	118	......	28	78	......	....	71	......	....
1976—Jan.	243	1,239	600	37	......	....	110	......	....	100	......	....	73	......	....

Period	Total outright[1]			Matched sale–purchase transactions (U.S. Govt. securities)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations			Bankers acceptances, net		Net change[3]
									Outright		Repurchase agreements, net			
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Gross purchases	Sales or redemptions		Outright	Repurchase agreements	
1970	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988	....	....	....	−6	....	4,982
1971	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485	....	101	22	181	8,866
1972	10,142	6,467	2,862	23,319	23,319	31,103	32,228	−312	1,197	370	−88	−9	−145	272
1973	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	−2	−36	9,227
1974	13,537	5,830	4,682	64,229	62,801	71,333	70,947	1,984	3,087	322	469	511	420	6,149
1975	20,892	5,599	9,559	151,205	152,132	140,311	139,538	7,434	1,616	246	−392	163	−35	8,539
1975—Jan.	746	945	600	9,237	10,367	9,260	8,748	844	....	14	−409	103	−136	387
Feb.	673	460	900	7,167	6,634	11,267	10,305	−258	376	81	246	−12	39	309
Mar.	3,362	156	1,788	15,933	16,763	5,011	6,928	332	210	2	−347	5	323	136
Apr.	3,189	318	506	12,375	12,216	12,774	8,551	6,428	....	2	883	24	496	7,829
May	953	354	407	2,996	3,044	19,489	21,952	−2,224	....	97	−567	55	−375	−3,207
June	1,217	161	450	12,914	13,026	15,219	16,810	−873	....	6	−255	−62	−121	−1,317
July	....	1,505	800	15,532	15,139	5,977	6,146	−2,866	....	2	−61	3	....	2,926
Aug.	2,574	282	2,389	14,234	13,730	8,146	6,881	663	353	40	90	1	156	1,222
Sept.	2,940	....	200	19,931	19,835	16,664	14,857	4,451	394	1	203	14	94	5,155
Oct.	1,263	766	400	15,886	16,113	13,699	13,838	186	284	....	−124	49	50	445
Nov.	1,693	652	919	14,442	15,207	14,342	17,275	−2,047	....	1	−169	−21	−300	2,537
Dec.	2,281	....	200	10,559	10,058	8,464	7,247	2,797	....	....	118	15	385	3,315
1976—Jan.	563	1,239	600	11,407	11,503	18,135	14,919	2,037	239	....	187	5	98	2,567

[1] Before Nov. 1973 BULLETIN, included matched sale–purchase transactions, which are now shown separately.

[2] Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows: June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836; Nov. 1974, 131; Mar. 1975, 1,560; Aug. 1975, 1,989.

[3] Net change in U.S. Govt. securities, Federal agency obligations, and bankers acceptances.

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

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1976					1976		1975
	Feb. 25	Feb. 18	Feb. 11	Feb. 4	Jan. 28	Feb. 29	Jan. 31	Feb. 28
Assets								
Gold certificate account	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,621
Special Drawing Rights certificate account	500	500	500	500	500	500	500	400
Cash	405	404	404	401	394	409	405	360
Loans:								
Member bank borrowings	688	58	62	44	138	51	66	77
Other	....	....	....	....	....	....	....	....
Acceptances:								
Bought outright	685	700	720	740	741	677	747	669
Held under repurchase agreements	511	303	....	305	415	374	483	324
Federal agency obligations:								
Bought outright	6,310	6,311	6,311	6,311	6,312	6,607	6,312	4,983
Held under repurchase agreements	234	157	....	204	393	70	305	347
U.S. Govt. securities:								
Bought outright:								
Bills	36,880	36,539	36,279	35,568	35,690	37,388	35,707	35,139
Certificates—Special	....	....	....	....	....	....	....	....
Other	....	....	....	....	....	....	....	....
Notes	44,505	44,225	44,425	44,425	44,236	44,505	44,236	40,495
Bonds	5,854	5,795	5,595	5,595	5,595	5,854	5,595	3,535
Total bought outright	[1]87,239	[1]86,559	[1]86,299	[1]85,588	[1]85,521	[1]87,747	[1]85,538	[1]79,169
Held under repurchase agreements	5,771	2,330	....	2,815	6,118	1,243	4,433	1,917
Total U.S. Govt. securities	93,010	88,889	86,299	88,403	91,639	88,990	89,971	81,086
Total loans and securities	101,438	96,418	93,392	96,007	99,638	[p]96,769	97,884	87,486
Cash items in process of collection	[p]7,725	[p]9,991	7,249	8,049	7,543	6,074	5,868	5,638
Bank premises	328	325	325	324	325	329	325	271
Operating equipment	16	15	13	13	13	16	13	....
Other assets:								
Denominated in foreign currencies	289	278	294	301	331	296	333	2
All other	2,388	2,418	3,040	3,046	2,999	2,421	3,005	2,732
Total assets	[p]124,688	[p]121,948	116,816	120,240	123,342	[p]118,413	119,932	108,510
Liabilities								
F.R. notes	74,792	75,250	75,129	74,427	74,267	74,421	73,899	68,078
Deposits:								
Member bank reserves	[p]29,385	[p]26,003	26,097	28,751	29,503	[p]24,555	27,306	28,644
U.S. Treasury—General account	10,836	9,603	6,705	7,800	10,360	10,366	10,075	2,884
Foreign	261	252	257	225	209	412	294	409
Other:								
All other[2]	975	501	594	717	627	809	651	901
Total deposits	[p]41,457	[p]36,359	33,653	37,493	40,699	[p]36,142	38,326	32,838
Deferred availability cash items	5,004	7,115	4,938	5,334	4,949	4,454	4,248	4,268
Other liabilities and accrued dividends	1,165	1,072	1,051	1,052	1,121	1,067	1,098	1,098
Total liabilities	[p]122,418	[p]119,796	114,771	118,306	121,036	[p]116,084	117,571	106,282
Capital accounts								
Capital paid in	939	937	936	934	934	940	935	898
Surplus	929	929	929	929	928	929	928	897
Other capital accounts	402	286	180	71	444	460	498	433
Total liabilities and capital accounts	[p]124,688	[p]121,948	116,816	120,240	123,342	[p]118,413	119,932	108,510
Contingent liability on acceptances purchased for foreign correspondents	....	....	....	....	....	....	....	130
Marketable U.S. Govt. securities held in custody for foreign and international accounts	44,739	44,203	43,990	43,672	44,145	43,650	43,124	38,849

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank)	80,847	80,963	80,975	81,138	81,328	80,820	81,228	74,245
Collateral held against notes outstanding:								
Gold certificate account	11,596	11,596	11,596	11,596	11,596	11,597	11,596	3,457
Special Drawing Rights certificate account	302	302	302	302	302	302	302	93
Acceptances	....	....	....	....	....	....	....	425
U.S. Govt. securities	71,710	71,710	71,710	71,710	71,710	71,710	71,710	72,162
Total collateral	83,608	83,608	83,608	83,608	83,608	83,609	83,608	76,137

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[1] See note 2 on p. A-2.

[2] See note 6 on p. A-2.

MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1976					1976		1975
	Feb. 25	Feb. 18	Feb. 11	Feb. 4	Jan. 28	Feb. 29	Jan. 31	Feb. 28
Loans—Total	688	58	62	43	138	51	64	77
Within 15 days	688	57	57	26	133	51	48	74
16–90 days	....	1	5	17	5	....	16	3
91 days to 1 year	....	....	....	....	....	....	....	....
Acceptances—Total	1,196	1,003	720	1,045	1,156	1,051	1,230	993
Within 15 days	620	414	94	378	493	505	558	470
16–90 days	419	413	438	459	463	399	467	425
91 days to 1 year	157	176	188	208	200	147	205	98
U.S. Govt. securities—Total	93,010	88,889	86,299	88,403	91,639	88,990	89,971	81,086
Within 15 days[1]	10,176	5,592	8,243	11,069	8,761	4,675	7,552	4,649
16–90 days	17,155	17,887	15,590	15,727	20,655	18,489	20,302	22,196
91 days to 1 year	22.853	22,884	21.213	20,354	21,159	23,000	21,053	21,059
1–5 years	30,855	30,677	30.572	30,572	30,383	30,855	30,383	20.733
5–10 years	7,557	7,494	6,526	6,526	6,526	7,557	6,526	10,035
Over 10 years	4,414	4,355	4,155	4,155	4,155	4,414	4,155	2,414
Federal agency obligations—Total	6,544	6,468	6,311	6,515	6,705	6.677	6,617	5,330
Within 15 days[1]	326	221	35	204	412	162	324	514
16–90 days	135	160	189	224	183	146	183	122
91 days to 1 year	873	845	845	845	870	938	870	608
1–5 years	3,270	3,302	3,302	3.302	3,302	3,419	3,302	2,541
5–10 years	1,302	1,302	1,302	1,302	1,300	1,364	1,300	1,025
Over 10 years	638	638	638	638	638	648	638	520

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

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts[1] (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others[2]				N.Y.	6 others[2]		
1975—Jan.	21,853.9	10,157.8	4,868.4	11,696.0	6,827.7	127.1	321.8	125.4	83.3	67.3
Feb.	22,950.1	10,918.0	4,992.8	12,032.1	7,039.3	133.1	343.2	126.2	85.5	69.6
Mar.	22,180.1	10,241.1	4,899.9	11,939.0	7,039.0	124.8	320.4	117.0	81.9	67.8
Apr.	22,705.1	10,810.3	4,770.6	11,895.4	7,124.9	122.5	330.3	114.3	81.8	68.8
May	22,738.6	10,826.1	4,852.6	11,912.5	7,059.9	128.9	333.9	120.1	82.8	68.2
June	22,503.5	10,612.2	4,755.2	11,891.3	7,134.6	124.4	328.6	115.7	81.6	66.7
July	22,827.9	10,709.5	4,841.1	12,118.3	7,277.2	126.2	331.0	115.7	81.6	68.2
Aug.	23,269.4	10,628.8	5,125.1	12,640.5	7,515.4	130.4	335.0	124.4	86.2	71.2
Sept.	23,181.9	10,585.0	5,153.0	12,596.9	7,443.8	128.8	330.7	123.8	85.1	70.0
Oct.	24,137.1	11,801.5	4,921.3	12,335.6	7,414.3	134.0	364.0	118.7	83.5	69.8
Nov.ʳ	24,067.7	11,529.9	4,937.3	12,537.8	7,600.5	134.0	360.8	119.5	84.9	71.5
Dec.	23,565.1	10,970.9	4,932.5	12,594.2	7,661.8	131.0	351.8	118.4	84.7	71.6
1976—Jan.	23,853.5	11,517.7	4,797.5	12,335.7	7,538.2	132.5	366.0	115.6	83.0	70.4

[1] Excludes interbank and U.S. Govt. demand deposit accounts.

[2] Boston, Philadelphia, Chicago, Detroit, San Francisco–Oakland, and Los Angeles–Long Beach.

NOTE.—*Total SMSA's include some cities and counties not designated as SMSA's.*

For back data see pp. 634–35 of the July 1972 BULLETIN.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Period	Seasonally adjusted					Not seasonally adjusted				
	M_1	M_2	M_3	M_4	M_5	M_1	M_2	M_3	M_4	M_5
	Composition of measures is described in the NOTE below.									
1973—Dec.	270.5	571.4	919.5	634.9	982.9	278.3	576.5	921.8	640.5	985.8
1974—Dec.	283.1	612.4	981.6	702.2	1,071.4	291.3	617.5	983.8	708.0	1,074.3
1975 Feb.	281.9	618.2	994.0	710.2	1,086.1	278.5	615.2	990.3	704.4	1,079.6
Mar.	284.1	623.0	1,003.7	712.8	1,093.5	281.4	622.7	1,005.0	710.8	1,093.1
Apr.	284.9	626.7	1,012.7	715.1	1,101.1	286.5	631.1	1,020.0	716.9	1,105.8
May	287.6	633.7	1,025.3	718.8	1,110.4	282.9	631.9	1,025.7	716.0	1,109.8
June	291.0	642.4	1,040.2	726.5	1,124.3	290.3	643.5	1,044.5	725.8	1,126.8
July	291.9	647.5	1,051.6	729.6	1,133.7	292.1	647.8	1,055.0	729.1	1,136.3
Aug.	293.2	650.6	1,060.6	729.3	1,139.3	290.0	647.2	1,057.1	728.4	1,138.3
Sept.	293.6	652.9	1,068.1	731.9	r1,147.2	291.7	649.5	1,062.8	732.2	1,145.5
Oct.	293.4	655.7	1,075.6	736.6	1,156.5	292.4	653.0	1,070.3	736.8	1,154.0
Nov.	295.7	661.6	1,086.0	743.4	1,167.7	297.6	659.7	1,080.1	742.5	1,162.9
Dec.	295.0	663.3	r1,091.8	746.2	1,174.7	303.4	668.4	1,093.6	751.8	r1,177.0
1976 Jan.	295.3	669.0	1,102.3	748.2	1.181.5	301.2	674.1	1,105.8	752.6	1,184.3

NOTE.—Composition of the money stock measures is as follows:

M_1: *Averages of daily figures for (1)* demand deposits of commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of commercial banks.

M_2: Averages of daily figures for M_1 plus savings deposits, time deposits open account, and time certificates of deposit other than negotiable CD's of $100,000 of large weekly reporting banks.

M_3: M_2 plus the average of the beginning and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank *thrift*).

M_4: M_2 plus large negotiable CD's.

M_5: M_3 plus large negotiable CD's.

For a description of the latest revisions in M_1, M_2, M_3, M_4 and M_5, see "Revision of Money Stock Measures" on pp. 82–87 of the Feb. 1976 BULLETIN.

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

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Period	Seasonally adjusted						Not seasonally adjusted								
	Currency	Commercial banks				Nonbank thrift institutions[2]	Currency	Commercial banks						Nonbank thrift institutions[2]	U.S. Govt. deposits[3]
		Demand deposits	Time and savings deposits					Demand deposits			Time and savings deposits				
			CD's[1]	Other	Total			Total	Member	Domestic nonmember	CD's[1]	Other	Total		
1973 Dec.	61.5	209.0	63.5	300.9	364.4	348.0	62.7	215.7	156.5	56.3	64.0	298.2	362.2	345.3	6.3
1974—Dec.	67.8	215.3	89.8	329.3	419.1	369.2	69.0	222.2	159.7	58.5	90.5	326.3	416.7	366.3	4.9
1975 Feb.	68.7	213.2	92.1	336.2	428.3	375.9	67.8	210.6	151.8	55.8	89.2	336.7	425.9	375.2	3.3
Mar.	69.4	214.7	89.8	339.0	428.7	380.7	68.8	212.6	153.4	56.0	88.1	341.4	429.4	383.3	3.8
Apr.	69.5	215.4	88.4	341.8	430.1	386.0	69.1	217.4	156.9	57.4	85.8	344.6	430.4	388.9	4.0
May	70.2	217.4	85.1	346.1	431.2	391.6	70.0	212.9	153.4	56.6	84.1	349.1	433.2	393.8	4.1
June	71.0	220.0	84.1	351.4	435.5	397.8	71.2	219.1	157.2	58.9	82.3	353.2	435.5	401.0	4.2
July	71.3	220.6	82.1	355.5	437.6	404.1	71.9	220.3	157.9	59.4	81.3	355.7	436.9	407.2	3.4
Aug.	71.9	221.3	78.8	357.4	436.2	410.0	72.1	217.8	155.8	59.0	81.1	357.3	438.4	409.9	2.7
Sept.	72.0	221.6	79.1	359.2	438.3	415.2	71.9	219.9	157.0	59.7	82.7	357.7	440.5	413.3	3.9
Oct.	72.6	220.8	80.9	362.3	443.2	420.0	72.5	219.9	156.6	60.3	83.7	360.7	444.4	417.2	3.4
Nov.	73.4	222.3	81.8	365.9	447.6	424.4	73.9	223.6	158.9	61.5	82.9	362.1	444.9	420.4	3.5
Dec.	73.7	221.3	82.9	368.3	451.2	r428.5	75.0	228.4	162.1	62.9	83.5	365.0	448.4	425.2	4.2
1976 Jan.	74.2	221.2	79.2	373.7	452.9	433.3	73.7	277.6	161.9	62.5	78.5	372.8	451.3	431.7	3.8

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[1] *Negotiable time certificates of deposit issued in denominations of* $100,000 or more by large weekly reporting commercial banks.

[2] Average of the beginning and end-of-month figures for deposits of mutual savings banks, for savings capital at savings and loan associations, and for credit union shares.

[3] *At all commercial banks.*

See also NOTE above.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Member bank reserves, S.A.[1]				Deposits subject to reserve requirements[3]								Total member bank deposits plus nondeposit items[4]	
					S.A.				N.S.A.					
	Total	Non-borrowed	Re-quired	Avail-able[2]	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	S.A.	N.S.A.
1973—Dec. . . .	34.98	33.69	34.68	32.78	442.8	279.7	158.1	5.0	447.5	278.5	164.0	5.0	449.4	454.0
1974—Dec.[1] . . .	36.63	35.90	36.37	34.42	486.9	322.9	160.6	3.4	491.8	321.7	166.6	3.5	495.3	500.1
1975—Jan.	36.37	35.97	36.22	34.23	490.1	328.2	159.3	2.6	495.1	327.2	165.0	2.9	497.7	502.6
Feb.[1] . . .	35.49	35.34	35.30	33.50	490.9	329.1	159.9	1.9	487.0	326.5	158.0	2.4	497.4	493.5
Mar. . . .	34.99	34.88	34.79	32.94	493.4	329.2	161.7	2.5	491.6	328.9	159.8	2.8	499.9	498.1
Apr. . . .	35.08	34.97	34.92	33.00	494.1	329.7	161.7	2.7	495.4	329.1	163.2	3.1	500.8	502.2
May[1] . .	34.74	34.67	34.58	32.77	493.7	328.6	162.6	2.5	491.8	329.8	159.0	3.0	501.2	499.2
June . . .	35.07	34.85	34.87	32.90	499.5	330.5	165.8	3.2	497.5	330.2	164.2	3.1	506.5	504.5
July. . . .	34.98	34.68	34.79	32.89	498.3	330.8	164.9	2.6	497.2	330.2	164.5	2.5	505.1	504.0
Aug. . . .	34.88	34.67	34.69	32.77	496.3	328.4	165.1	2.8	494.8	330.5	162.3	2.0	503.3	501.8
Sept. . . .	34.99	34.59	34.80	32.77	498.4	329.8	165.6	3.0	499.1	332.2	164.0	2.9	505.5	506.1
Oct.[1] . . .	34.79	34.60	34.58	32.61	500.1	333.1	164.0	3.0	500.4	334.7	163.3	2.5	508.0	508.3
Nov. . . .	34.73	34.67	34.44	32.43	505.9	336.1	165.9	3.9	503.6	334.3	166.7	2.6	514.1	511.9
Dec. . . .	34.75	34.62	34.49	32.44	506.0	338.7	164.4	3.0	510.9	337.2	170.7	3.1	514.4	519.3
1976—Jan.[1] . . .	34.32	34.24	34.08	32.17	506.2	338.9	164.7	2.6	511.1	337.9	170.3	2.9	514.1	519.0

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

[2] Reserves available to support private nonbank deposits are defined as (1) required reserves for (a) private demand deposits, (b) total time and savings deposits, and (c) nondeposit sources subject to reserve requirements, and (2) excess reserves. This series excludes required reserves for net interbank and U.S. Govt. demand deposits.

[3] Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

[4] "Total member bank deposits" subject to reserve requirements, plus Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items. This series for deposits is referred to as "*the adjusted bank credit proxy.*"

NOTE. Back data and estimates of the impact of required reserve changes may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

(In billions of dollars)

Date	Seasonally adjusted							Not seasonally adjusted						
	Total loans and invest-ments[1]	Loans				Securities		Total loans and invest-ments[1]	Loans				Securities	
		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treas-ury	Other[4]		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treas-ury	Other[4]
1971—Dec. 31. . . .	484.8	320.3	323.1	115.9	117.5	60.1	104.4	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972—Dec. 31. . . .	556.4	377.8	380.4	129.7	131.4	61.9	116.7	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973—Dec. 31. . . .	630.3	447.3	451.6	155.8	158.4	52.8	130.2	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974—Dec. 31[5] [6]. .	687.1	498.2	503.0	182.6	185.3	48.8	140.1	705.6	510.7	515.5	186.8	189.6	54.5	140.5
1975—Mar. 26. . . .	697.0	498.3	503.0	180.9	183.7	58.5	140.2	692.5	492.3	496.9	180.5	183.3	59.3	140.9
Apr. 30. . . .	699.1	495.0	499.6	180.5	183.2	64.0	140.1	698.1	493.1	497.7	181.1	183.8	63.3	141.7
May 28. . . .	702.0	492.8	497.5	179.1	181.9	68.2	141.0	698.3	491.6	496.3	178.7	181.5	65.0	141.7
June 30. . . .	705.0	489.9	494.6	176.3	179.2	72.4	142.7	709.3	497.2	501.9	179.0	181.9	68.2	143.9
July 30^{p}. . . .	706.4	489.6	494.1	177.6	180.4	73.4	143.4	704.9	491.7	496.2	177.5	180.3	69.6	143.6
Aug. 27^{p}. . . .	710.4	490.7	495.2	177.5	180.3	75.6	144.1	705.6	489.7	494.2	176.0	178.8	72.1	143.8
Sept. 24^{p}. . . .	711.6	490.4	494.9	176.4	179.2	77.1	144.1	711.5	491.7	496.2	176.8	179.6	75.4	144.3
Oct. 29^{p}. . . .	715.0	494.1	498.8	177.9	180.8	75.1	145.8	713.3	492.4	497.1	176.6	179.5	76.1	144.8
Nov. 26^{p}. . . .	721.3	498.0	502.7	178.9	181.7	76.3	147.0	720.9	496.0	500.7	177.8	180.6	79.6	145.3
Dec. 31^{p}. . .	717.2	494.7	499.1	177.7	180.3	77.9	144.6	734.4	505.1	509.5	181.1	183.7	84.2	145.1
1976—Jan. 28^{p}. . . .	720.5	495.4	499.7	178.1	180.6	80.2	144.9	719.5	490.6	494.9	176.0	178.5	84.9	144.0
Feb. 25^{p}. . . .	725.2	496.2	500.7	177.1	179.8	84.4	144.6	719.3	490.2	494.7	175.3	178.0	85.6	143.5

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[1] Adjusted to exclude domestic commercial interbank loans.

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

[3] Reclassification of loans at one large bank reduced these loans by about $400 million as of June 30, 1972.

[4] Farmers Home Administration insured notes included in "Other securities" rather than in loans beginning June 30, 1971, when such notes totaled about $700 million.

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

[6] As of Oct. 31, 1974, "Total loans and investments" of all commercial banks were reduced by $1.5 billion in connection with the liquidation of one large bank. Reductions in other items were: "Total loans," $1.0 billion (of which $0.6 billion was in "Commercial and industrial loans"), and "Other securities," $0.5 billion. In late November "Commercial and industrial loans" were increased by $0.1 billion as a result of loan reclassifications at another large bank.

NOTE.—*Total loans and investments:* For monthly data, Jan. 1959–June 1973, see Nov. 1973 BULLETIN, pp. A-96–A-97, and for 1948–58, Aug. 1968 BULLETIN, pp. A-94–A-97. For a description of the current seasonally adjusted series see the Nov. 1973 BULLETIN, pp. 831–32, and the Dec. 1971 BULLETIN, pp. 971–73. *Commercial and industrial loans:* For monthly data, Jan. 1959–June 1973, see Nov. 1973 BULLETIN, pp. A-96–A-98; for description see July 1972 BULLETIN, p. 683. Data are for last Wednesday of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments				Cash assets[3]	Total assets—Total liabilities and capital accounts[4]	Deposits						Borrowings	Total capital accounts	Number of banks
	Total	Loans[1]	Securities				Total[3]	Interbank[3]		Other					
			U.S. Treasury	Other[2]				Demand	Time	Demand		Time[5]			
										U.S. Govt.	Other				
Last-Wednesday-of-month series[6]															
All commercial banks:															
1941—Dec. 31...	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,982		44,349		15,952	23	7,173	14,278
1947—Dec. 31[7]..	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	240	1,343	94,367	35,360	65	10,059	14,181
1960—Dec. 31...	199,509	117,642	61,003	20,864	52,150	257,552	229,843	17,079	1,799	5,945	133,379	71,641	163	20,986	13,472
1970—Dec. 31[8]..	461,194	313,334	61,742	86,118	93,643	576,242	480,940	30,608	1,975	7,938	209,335	231,084	19,375	42,958	13,686
1971—Dec. 31...	516,564	346,930	64,930	104,704	99,832	640,255	537,946	32,205	2,908	10,169	220,375	272,289	25,912	47,211	13,783
1972—Dec. 31...	598,808	414,696	67,028	117,084	113,128	739,033	616,037	33,854	4,194	10,875	252,223	314,891	38,083	52,658	13,927
1973—Dec. 31...	683,799	494,947	58,277	130,574	118,276	835,224	681,847	36,839	6,773	9,865	263,367	365,002	58,994	58,128	14,171
1974—Dec. 31...	744,107	549,183	54,451	140,473	128,042	919,552	747,903	43,483	11,496	4,807	267,506	420,611	58,369	63,650	14,465
1975—Feb. 26...	*725,480*	*531,390*	*54,550*	*139,540*	*103,880*	*879,080*	*702,500*	*29,930*	*10,440*	*2,630*	*234,610*	*424,890*	*64,290*	*64,540*	*14,499*
Mar. 26...	731,690	531,440	59,330	140,920	105,850	889,370	712,520	30,410	11,680	3,950	236,900	429,580	63,370	65,220	14,525
Apr. 30...	731,100	526,120	63,280	141,700	114,140	899,110	723,060	33,140	11,880	7,910	242,580	427,550	61,340	65,100	14,537
May 28...	733,690	527,030	65,000	141,660	114,400	901,280	725,590	32,510	11,200	2,950	246,410	432,520	61,700	65,080	14,558
June 30...	747,551	535,493	68,191	143,868	128,716	930,719	754,324	42,582	11,209	3,117	264,027	433,389	62,420	66,557	14,573
July 30p..	738,850	525,640	69,620	143,590	106,780	900,210	724,350	33,160	10,830	2,230	243,470	434,660	61,800	66,150	14,583
Aug. 27p..	740,590	524,700	72,060	143,830	104,030	898,940	723,090	31,510	10,570	2,850	242,290	435,870	59,770	66,580	14,595
Sept. 24p..	742,300	522,580	75,440	144,280	105,160	903,440	724,490	31,280	10,990	3,220	240,080	438,920	60,790	66,900	14,612
Oct. 29p..	745,150	524,260	76,050	144,840	109,140	911,930	733,730	31,830	11,210	2,700	247,030	440,960	60,310	67,440	14,629
Nov. 26p..	754,780	529,890	79,550	145,340	121,370	934,450	749,140	34,470	11,160	3,600	256,970	442,940	66,360	67,850	14,625
Dec. 31p..	771,380	542,090	84,220	145,070	128,270	958,410	781,770	41,660	11,830	3,170	278,280	446,830	58,100	68,510	14,630
1976—Jan. 28p..	753,420	524,510	84.920	143,990	111,050	921,760	738,930	32,000	11,160	3,880	245.230	446,660	66.780	68,600	14,612
Feb. 28p..	754,460	525,380	85.580	143,500	109,420	922,910	736,760	31,450	10,990	4,110	242.250	447,960	68,000	68,880	14.612
Members of F.R. System:															
1941—Dec. 31...	43,521	18,021	19,539	5,961	23,113	68,121	61,717	10,385	140	1,709	37,136	12,347	4	5,886	6,619
1947—Dec. 31...	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464	6,923
1960—Dec. 31...	165,619	99,933	49,106	16,579	45,756	216,577	193,029	16,437	1,639	5,287	112,393	57,273	130	17,398	6,174
1970—Dec. 31[8]..	365,940	253,936	45,399	66,604	81,500	465,644	384,596	29,142	1,733	6,460	168,032	179,229	18,578	34,100	5,767
1971—Dec. 31...	405,087	277,717	47,633	79,738	86,189	511,353	425,380	30,612	2,549	8,427	174,385	209,406	25,046	37,279	5,727
1972—Dec. 31...	465,788	329,548	48,715	87,524	96,566	585,125	482,124	31,958	3,561	9,024	197,817	239,763	36,357	41,228	5,704
1973—Dec. 31...	528,124	391,032	41,494	95.598	100,098	655,898	526,837	34,782	5.843	8,273	202,564	275,374	55,611	44,741	5,735
1974—Dec. 31...	568,532	429,537	38,921	100,073	106,995	715,615	575,563	41,062	10,052	3,183	204,203	317,064	52,850	48,240	5,780
1975—Feb. 26...	549,144	412,076	38,628	98,440	88,430	678,970	535,250	28,157	8,991	1,989	178,596	317,517	58,868	48,741	5,785
Mar. 26...	552,957	411,446	42,544	98,967	89,685	685,906	542,076	28,564	10,231	2,794	180,214	320,273	58,030	49,219	5,785
Apr. 30...	550,756	406.676	45,142	98,938	96,694	692,147	549,824	31,102	10,433	6,212	184.693	317,384	55,738	49,267	5,789
May 28...	551,264	405.803	46,918	98,543	96,455	691,485	549,996	30,191	9,751	2,178	187,439	320,437	56,140	49,188	5,790
June 30...	562,667	412,939	49,610	100,118	107,152	716,364	573,382	39,847	9,576	2,166	201,197	320,596	56,334	50,257	5,794
July 30...	553,545	403,742	50,050	99,753	89,898	688,756	547,222	30,980	9,198	1,541	184,595	320,908	56,094	49,951	5,796
Aug. 27...	554,007	402,281	51,899	99,827	87,208	686,266	545,021	29,335	8,932	2,099	183,283	321,372	54,175	50,281	5,792
Sept. 24...	555,096	400,695	54,355	100,046	88,004	689,717	546,360	29,150	9,360	2,343	181,340	324,167	54,929	50.543	5,792
Oct. 29...	556,383	401,492	54,546	100,345	91,397	695,312	552,649	29,568	9,578	1,952	186,851	324,700	54,250	50,963	5,796
Nov. 26...	564,055	405,825	57,477	100,753	102,106	714,149	564,856	32,064	9,527	2,708	194,502	326,055	60,162	51,199	5,792
Dec. 31p..	577,678	416,039	61,238	100,401	107,211	733,267	591,358	38,595	10,197	2,226	211,418	328,922	52,756	51,748	5,789
1976—Jan. 28...	563,471	402,067	61,710	99.694	93,794	705,136	556,298	29,712	9,529	2,908	185,783	328,366	61,022	52,067	5,767
Feb. 28p..	563,183	401,937	61,875	99,371	91,736	704,398	552,940	29,145	9,357	2,977	183,463	327,998	62,052	52,236	5,767
Call date series															
Insured banks:															
Total:															
1941—Dec. 31...	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654		1,762	41,298	15,699	10	6,844	13,426
1947—Dec. 31...	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	13,398
1960—Dec. 31...	198,011	117,092	60,468	20,451	51,836	255,669	228,401	16,921	1,667	5,932	132,533	71,348	149	20,628	13,119
1970—Dec. 31[8]..	458,919	312,006	61,438	85,475	92,708	572,682	479,174	30,233	1,874	7,898	208,037	231,132	19,149	42,427	13,502
1972—Dec. 31...	594,502	411,525	66,679	116,298	111,333	732,519	612,822	33,366	4,113	10,820	250.693	313,830	37,556	52,166	13,721
1973—Dec. 31...	678,113	490,527	57,961	129,625	116,266	827,081	677,358	36,248	6,429	9,856	261,530	363,294	57,531	57,603	13,964
1974—Dec. 31...	*734,516*	*541,111*	*54,132*	*139,272*	*125,375*	*906,325*	*741,665*	42,587	10,693	4,799	265,444	418,142	55,988	63,039	14,216
1975—June 30...	736,164	526,272	67,833	142,060	125,181	914,781	746,348	41,244	10,252	3,106	261,903	416,962	59,310	65,986	14,320
Sept. 30...	740,882	521,673	73,382	140,627	117,774	911,981	741,758	37,652	9,876	3,606	252,945	425,382	58,325	67,579	14,357
National member:															
1941—Dec. 31...	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786		1,088	23,262	8,322	4	3,640	5,117
1947—Dec. 31...	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	35	795	53,541	19,278	45	5,409	5,005
1960—Dec. 31...	107,546	63,694	32,712	11,140	28,675	139,261	124,911	9,829	611	3,265	71,660	39,546	111	11,098	4,530
1970—Dec. 31[8]..	271,760	187,554	34,203	50,004	56,028	340,764	283,663	18,051	982	4,740	122,298	137,592	13,100	24,868	4,620
1972—Dec. 31...	350,743	247,041	37,185	66,516	67,390	434,810	359,319	19,096	2,155	6,646	146,800	184,622	26,706	30,342	4,612
1973—Dec. 31...	398,236	293,555	30,962	73,718	70,711	489,470	395,767	20,357	3,876	5,955	152,705	212,874	39,696	33,125	4,659
1974—Dec. 31...	428,433	321,466	29,075	77,892	76,523	534,207	431,039	23,497	6,750	2,437	154,397	243,959	39,603	35,815	4,706
1975—June 30...	428,167	312,229	37,606	78,331	75,686	536,836	431,646	21,096	6,804	1,723	152,576	242,492	41,954	37,483	4,730
Sept. 30...	428,507	307,230	40,872	76,929	72,216	534,415	427,421	20,250	6,795	1,963	146,382	245,783	42,073	38,346	4,738

For notes see opposite page.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments				Cash assets[3]	Total assets— Total liabilities and capital accounts[4]	Deposits						Borrowings	Total capital accounts	Number of banks
	Total	Loans[1]	Securities				Total[3]	Interbank[3]		Other					
			U.S. Treasury	Other[2]				Demand	Time	Demand		Time[5]			
										U.S. Govt.	Other				
						Call date series									
Insured banks (cont.):															
State member:															
1941—Dec. 31....	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739		621	13,874	4,025	1	2,246	1,502
1947—Dec. 31....	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918
1960—Dec. 31....	58,073	36,240	16,394	5,439	17,081	77,316	68,118	6,608	1,028	2,022	40,733	17,727	20	6,299	1,644
1970—Dec. 31[8]...	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147
1972—Dec. 31....	115,426	82,889	11,530	21,008	29,176	150,697	123,186	12,862	1,406	2,378	51,017	55,523	9,651	10,886	1,092
1973—Dec. 31....	130,240	97,828	10,532	21,880	29,387	166,780	131,421	14,425	1,968	2,318	49,859	62,851	15,914	11,617	1,076
1974—Dec. 31....	140,373	108,346	9,846	22,181	30,473	181,683	144,799	17,565	3,301	746	49,807	73,380	13,247	12,425	1,074
1975—June 30...	134,759	100,968	12,004	21,787	31,466	179,787	141,995	18,751	2,771	443	48,621	65,654	14,380	12,773	1,064
1975 Sept. 30...	135,003	99,854	12,234	21,240	28,842	176,267	139,276	16,125	2,427	490	46,416	67,958	13,211	13,009	1,057
Nonmember:															
1941—Dec. 31....	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129		53	4,162	3,360	6	959	6,810
1947—Dec. 31....	16,444	4,958	10,039	1,448	4,083	20,691	19,342	262	4	149	12,366	6,558	7	1,271	6,478
1960 Dec. 31....	32,411	17,169	11,368	3,874	6,082	39,114	35,391	484	27	645	20,140	14,095	19	3,232	6,948
1970—Dec. 31[8]...	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735
1972—Dec. 31....	128,333	81,594	17,964	28,774	14,767	147,013	130,316	1,408	552	1,796	52,876	73,685	1,199	10,938	8,017
1973—Dec. 31....	149,638	99,143	16,467	34,027	16,167	170,831	150,170	1,467	586	1,582	58,966	87,569	1,920	12,862	8,229
1974—Dec. 31....	165,709	111,300	15,211	39,199	18,380	190,435	165,827	1,525	642	1,616	61,240	100,804	3,138	14,799	8,436
1975—June 30...	173,238	113,074	18,223	41,942	18,029	198,157	172,707	1,397	676	940	60,706	108,816	2,976	15,730	8,526
1975—Sept. 30...	177,371	114,589	20,275	42,457	16,717	201,299	175,060	1,277	655	1,153	60,147	111,641	3,041	16,224	8,562
Noninsured *nonmember:*															
1941—Dec. 31....	1,457	455	761	241	763	2,283	1,872	329		1,291		253	13	329	852
1947—Dec. 31[7]...	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1960—Dec. 31....	1,498	550	535	413	314	1,883	1,443	159	132	13	846	293	14	358	352
1970—Dec. 31[8]...	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971—Dec. 31....	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181
1972—Dec. 31....	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491	206
1973—Dec. 31....	6,192	4,927	316	949	2,010	8,650	4,996	591	344	9	1,836	2,215	1,463	524	207
1974—Dec. 31....	9,981	8,461	319	1,201	2,667	13,616	6,627	897	803	8	2,062	2,857	2,382	611	249
1975—June 30...	11,725	9,559	358	1,808	3,534	16,277	8,314	1,338	957	11	2,124	3,320	3,110	570	253
Total nonmember:															
1941—Dec. 31....	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457		5,504		3,613	18	1,288	7,662
1947—Dec. 31....	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	190	167	13,758	7,036	12	1,596	7,261
1960—Dec. 31....	33,910	17,719	11,904	4,287	6,396	40,997	36,834	643	160	657	20,986	14,388	33	3,590	7,300
1970—Dec. 31[8]...	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	7,919
1971—Dec. 31....	111,674	69,411	17,297	24,966	13,643	129,100	112,764	1,592	359	1,742	45,990	63,081	866	9,932	8,056
1972—Dec. 31....	133,198	85,325	18,313	29,559	16,562	154,085	134,091	1,895	633	1,850	54,406	75,305	1,726	11,429	8,223
1973—Dec. 31....	155,830	104,070	16,783	34,976	18,177	179,480	155,165	2,057	930	1,592	60,802	89,784	3,383	13,386	8,436
1974—Dec. 31....	175,690	119,761	15,530	40,400	21,047	204,051	172,454	2,422	1,445	1,624	63,302	103,661	5,520	15,410	8,685
1975—June 30...	184,963	122,633	18,581	43,750	21,563	214,434	181,021	2,735	1,633	951	62,830	112,136	6,086	16,300	8,779

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[1] Loans to farmers directly guaranteed by CCC were reclassified as securities and Export-Import Bank portfolio fund participations were reclassified from loans to securities effective June 30, 1966. This reduced "Total loans" and increased "Other securities" by about $1 billion. "Total loans" include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc.," on p. A-16.

Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately $300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

See also table (and notes) at the bottom of p. A-24.

[2] See first 2 paragraphs of note 1.

[3] Reciprocal balances excluded beginning with 1942.

[4] *Includes items not shown separately.* See also note 1.

[5] See third paragraph of note 1 above.

[6] For the last-Wednesday-of-the-month series, figures for call dates are shown for June and December as soon as they became available.

[7] Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

[8] Figure takes into account the following changes, which became effective June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

[9] Member bank data for Oct. exclude assets of $3.6 billion of one large bank.

NOTE.—Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; nondeposit trust companies; and U.S. branches of foreign banks.

Figures for member banks before 1970 include mutual savings banks as follows: 3 before Jan. 1960 and 2 through Dec. 1960. Those banks are not included in insured commercial banks.

Effective June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business; beginning 1973, exclude 1 national bank in Puerto Rico.

Beginning Dec. 31, 1973, June 30, 1974, and Dec. 31, 1974, June 30, 1975, respectively, member banks exclude and noninsured nonmember banks include 1, 2, 3, and 4 noninsured trust companies that are member of the Federal Reserve System.

Comparability of figures for classes of banks in affected somewhat by changes in F.R. membership, deposit insurance status, and by mergers etc.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870–71.

ASSETS BY CLASS OF BANK, JUNE 30, 1975

(Assets and liabilities are shown in millions of dollars.)

Account	All commercial banks	Insured commercial banks	Member banks¹					Nonmember banks¹
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Cash bank balances, items in process	128,716	125,181	107,152	29,694	4,419	38.925	34,114	21,564
Currency and coin	10,102	10,079	7,546	569	121	2,520	4,335	2,556
Reserves with F.R. Banks	26,890	26,890	26,890	5,656	1,800	10.084	9,350	....
Demand balances with banks in United States	34.278	31,788	19,722	6,940	165	3,710	8,906	14,556
Other balances with banks in United States	5,727	5,276	3,647	94	115	1,153	2,284	2.080
Balances with banks in foreign countries	2,296	1,833	1,738	438	78	938	285	558
Cash items in process of collection	49,422	49,315	47,610	15,997	2,139	20,518	8,955	1,813
Total securities held—*Book value*	212,058	209,893	149,728	16,808	5,879	49,992	77,049	62,330
U.S. Treasury	68,191	67,833	49,610	7,368	2,189	17,061	22,992	18,581
Other U.S. Govt. agencies	33,882	33,490	21,213	1,754	570	6,348	12,540	12,669
States and political subdivisions	101,472	101,091	73,762	7,030	2,828	25,087	38,817	27,711
All other securities	8,513	7,479	5,144	657	291	1,496	2,699	3,370
Trade-account securities	6.198	6,188	6,136	2,468	556	2,896	217	62
U.S. Treasury	2,945	2,934	2,909	1,399	344	1,078	88	35
Other U.S. Govt. agencies	941	941	934	239	27	633	35	7
States and political subdivisions	1,907	1,907	1,893	736	117	952	89	14
All other	406	406	400	95	68	233	5	6
Bank investment portfolios	205,860	203,705	143,592	14,340	5,323	47.096	76,832	62,268
U.S. Treasury	65,246	64,899	46,701	5,969	1,845	15,983	22,904	18,545
Other U.S. Govt. agencies	32,941	32,549	20,279	1,515	544	5,715	12.505	12,662
States and political subdivisions	99,566	99,184	71,869	6,294	2,711	24,135	38.729	27,697
All other	8,108	7,073	4,743	562	224	1,264	2,694	3,364
Federal funds sold and securities resale agreements	38,841	37.383	28,951	1,747	1,263	14,807	11,133	9,891
Commercial banks	34,083	32,625	24,296	852	1,041	11.800	10.604	9,787
Brokers and dealers	3,054	3,054	2,977	108	203	2,195	471	77
Others	1,704	1.704	1,677	787	19	812	59	27
Other loans	496,990	488,888	384.247	75,339	22,512	142,424	143,973	112,742
Real estate loans	131,445	131,246	94,442	7,951	1,332	35,526	49,633	37,003
Secured by farmland	6,105	6,090	2,676	5	2	327	2,342	3,428
Secured by residential	81,360	81,233	59,898	4,265	894	23,532	31,207	21,462
1- to 4-family residences	74,612	74,489	54,377	3,150	839	20,932	29,456	20,235
FHA insured	5,626	5,610	4,875	233	55	2,632	1,955	752
VA guaranteed	3,167	3,147	2,713	181	20	1,418	1,094	454
Other	65,818	65.732	46,790	2,736	764	16,882	26,407	19,029
Multifamily	6,748	6,744	5,521	1,115	55	2,600	1,751	1,227
FHA insured	762	761	706	136	25	331	214	56
Other	5,986	5,983	4,815	978	30	2,269	1,537	1,171
Secured by other properties	43,981	43,923	31,868	3,681	436	11,667	16,084	12,113
Loans to domestic and foreign banks	11,155	8,644	8,075	3,543	504	3,252	776	3,080
Loans to other financial institutions	32,413	32,164	30,964	11,756	4,720	12,175	2,314	1,449
Loans on securities to brokers and dealers	5,534	5,447	5,373	3,931	659	649	134	161
Other loans for purch./carry securities	3,836	3,818	3,177	516	277	1,497	887	658
Loans to farmers	19,071	19,054	10,768	88	190	2,554	7,935	8,304
Commercial and industrial loans	178.993	174,436	147,242	39,616	12,517	55,802	39,307	31,751
Loans to individuals	101,816	101,512	72,806	4,942	1,540	25,865	40,458	29,010
Instalment loans	79,246	79,033	56,275	3,062	804	20,229	32,180	22,971
Passenger automobiles	32,128	32,026	21,423	421	151	6,621	14,230	10,706
Residential-repair/modernize	5,627	5,611	4,077	202	49	1,717	2,109	1,550
Credit cards and related plans	10,835	10,835	9,551	1,015	399	5,320	2,818	1,284
Charge-account credit cards	8,240	8,240	7,389	742	369	4,181	2,096	851
Check and revolving credit plans	2.595	2,594	2,162	273	29	1,139	722	433
Other retail consumer goods	15,273	15,242	10,661	160	104	3,765	6,632	4,611
Mobile homes	8,807	8,801	6,340	100	48	2,276	3,916	2,467
Other	6,466	6,441	4,321	60	56	1,489	2,716	2,144
Other instalment loans	15,383	15,318	10,563	1,265	101	2,807	6,390	4,820
Single-payment loans to individuals	22,570	22,479	16,531	1,880	736	5,636	8,278	6,039
All other loans	12,726	12,568	11,400	2,995	773	5,103	2,529	1,326
Total loans and securities	747,889	736,164	562,926	93,894	29,654	207,223	232,155	184,963
Fixed assets—Buildings, furniture, real estate	16,254	16,175	12,183	1,263	500	4,894	5,526	4,071
Investments in subsidiaries not consolidated	1,820	1,798	1,777	797	146	754	81	42
Customer acceptances outstanding	9,462	9,223	8,993	4,795	427	3,438	332	469
Other assets	26,917	26,239	23,592	8,889	1,122	9,756	3,825	3,325
Total assets	931,057	914,781	716,623	139,333	36,268	264,990	276,032	214,434
Number of banks	14,573	14,320	5,794	12	9	155	5,618	8,779

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[1] Member banks exclude and nonmember banks include 4 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

[2] See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 24.

[3] Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Figures for total loans and for individual categories of securities are reported on a gross basis—that is, before deduction of valuation reserves.

Back data in lesser detail were shown in previous BULLETINS. Beginning with the fall Call Report, data for future spring and fall Call Reports will be available from the Data Production Section of the Division of Data Processing.

Details may not add to totals because of rounding.

LIABILITIES AND CAPITAL BY CLASS OF BANK, JUNE 30, 1975

(Assets and liabilities are shown in millions of dollars.)

Account	All commercial banks	Insured commercial banks	Member banks[1]					Nonmember banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Demand deposits	309,726	306,253	243,210	57,475	9,911	85,372	90,453	66,516
Mutual savings banks	1,279	1,151	1,057	483	1	210	362	223
Other individuals, partnerships, and corporations	232,079	231,121	177,344	29,687	7,668	65,847	74,142	54,735
U.S. Government	3,117	3,106	2,166	118	42	725	1,280	951
States and political subdivisions	18,217	18,079	13,074	758	186	3,883	8,247	5,143
Foreign governments, central banks, etc.	1,555	1,310	1,280	1,088	18	167	6	275
Commercial banks in United States	34,345	34,019	32,823	16,986	1,593	10,482	3,762	1,522
Banks in foreign countries	6,957	6,074	5,967	4,662	152	1,058	95	990
Certified and officers' checks, etc.	12,176	11,393	9,499	3,691	250	2,999	2,558	2,677
Time and savings deposits	444,936	440,096	330,431	46,693	16,362	119,708	147,669	114,505
Savings deposits	151,744	151,463	109,037	6,995	2,385	38,455	61,202	42,708
Accumulated for personal loan payments[2]	338	335	259	....	....	74	186	79
Mutual savings banks	648	627	611	287	17	265	42	37
Other individuals, partnerships, and corporations	219,489	216,619	163,751	25,801	10,371	59,106	68,473	55,738
U.S. Government	492	492	360	10	1	184	165	132
States and political subdivisions	48,219	48,052	34,739	1,421	1,324	15,062	16,932	13,480
Foreign governments, central banks, etc.	13,445	12,882	12,710	7,956	1,374	3,337	43	735
Commercial banks in United States	8,449	8,334	7,716	3,205	842	3,048	621	733
Banks in foreign countries	2,111	1,291	1,248	1,018	48	178	5	863
Total deposits	754,662	746,348	573,641	104,167	26,272	205,080	238,122	181,021
Federal funds purchased and securities sold under agreements to repurchase	56,529	54,835	52,184	13,367	5,845	25,865	7,106	4,345
Other liabilities for borrowed money	5,891	4,475	4,150	1,362	26	2,370	392	1,741
Mortgage indebtedness	763	761	550	64	4	313	169	213
Bank acceptances outstanding	10,060	9,814	9,583	5,375	430	3,447	332	477
Other liabilities	27,627	23,645	18,960	3,535	929	7,789	6,706	8,667
Total liabilities	855,533	839,879	659,069	127,870	33,507	244,864	252,827	196,464
Minority interest in consolidated subsidiaries	5	4	1	....	....	....	1	4
Total reserves on loans/securities	8,963	8,912	7,297	1,685	525	2,761	2,325	1,666
Reserves for bad debts (IRS)	8,659	8,614	7,110	1,685	525	2,682	2,218	1,549
Other reserves on loans	121	119	69	....	1	17	50	53
Reserves on securities	182	179	119	....	....	61	57	64
Total capital accounts	66,557	65,986	50,257	9,777	2,236	17,365	20,878	16,300
Capital notes and debentures	4,347	4,287	3,467	782	81	1,656	948	880
Equity capital	62,210	61,699	46,790	8,995	2,155	15,710	19,930	15,421
Preferred stock	50	42	24	....	....	10	13	27
Common stock	15,176	15,077	11,187	2,163	568	3,614	4,842	3,989
Surplus	25,968	25,816	19,500	3,667	1,143	6,976	7,713	6,468
Undivided profits	20,053	19,859	15,441	3,166	399	4,845	7,031	4,613
Other capital reserves	963	905	638	....	44	264	330	324
Total liabilities, reserves, minority interest, capital accounts	931,057	914,781	716,623	139,333	36,268	264,990	276,032	214,434
Demand deposits adjusted[3]	222,842	219,813	160,611	24,373	6,136	53,646	76,456	62,231
Average total deposits (past 15 days)	734,017	726,164	555,860	96,313	25,508	199,612	234,427	178,157
Average total loans (past 15 days)	506,945	497,466	385,936	74,863	22,484	143,273	145,316	121,009
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks	13.8	13.7	15.0	21.3	12.2	14.7	12.4	10.1
	22.8	22.9	20.9	12.1	16.2	18.9	27.9	29.1
Total securities held								
Trading account securities	.7	.7	.9	1.8	1.5	1.1	.1	....
U.S. Treasury	.3	.3	.4	1.0	.9	.4	....	....
States and political subdivisions	.2	.2	.3	.5	.3	.4	....	....
All other trading account securities	.1	.1	.2	.2	.3	.3	....	....
Bank investment portfolios	22.1	22.3	20.0	10.3	14.7	17.8	27.8	29.0
U.S. Treasury	7.0	7.1	6.5	4.3	5.1	6.0	8.3	8.6
States and political subdivisions	10.7	10.8	10.0	4.5	7.5	9.1	14.0	12.9
All other portfolio securities	4.4	4.3	3.5	1.5	2.1	2.6	5.5	7.5
Other loans and Federal funds sold	57.6	57.5	57.7	55.3	65.6	59.3	56.2	57.2
All other assets	5.8	5.8	6.5	11.3	6.1	7.1	3.5	3.7
Total loans and securities	80.3	80.5	78.6	67.4	81.8	78.2	84.1	86.3
Reserves for loans and securities	1.0	1.0	1.0	1.2	1.4	1.0	.8	.8
Equity capital—Total	6.7	6.7	6.5	6.5	5.9	5.9	7.2	7.2
Total capital accounts	7.1	7.2	7.0	7.0	6.2	6.6	7.6	7.6
Number of banks	14,573	14,320	5,794	12	9	155	5,618	8,779

For notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲

(In millions of dollars)

Wednesday	Total loans and investments	Loans														
		Federal funds sold, etc.[1]					Other									
		Total	To commercial banks	To brokers and dealers involving—		To others	Total	Commercial and industrial	Agricultural	For purchasing or carrying securities				To nonbank financial institutions		Real estate
				U S. Treasury securities	Other securities					To brokers and dealers		To others		Pers. and sales finance cos., etc.	Other	
										U.S. Treasury secs.	Other secs.	U.S Treasury secs.	Other secs.			
Large banks-- Total																
1975																
Feb. 5	398,338	21,144	17,055	1,929	1,248	912	292,901	127,306	3,508	1,467	3,307	82	2,440	9,972	20,922	60,331
12	395,724	20,682	16,802	1,802	1,000	1,078	290,250	126,890	3,456	585	2,787	83	2,438	9,644	20,784	60,141
19	398,700	20,444	16,542	1,729	1,076	1,097	292,141	126,890	3,449	1,287	3,461	82	2,463	10,091	20,716	60,216
26	392,802	17,498	13,987	1.547	1,065	899	289,737	126,747	3,442	800	2,804	81	2,425	9,590	20,460	60,197
1976																
Jan. 7	402,786	20,265	16,284	2,687	677	617	281.563	119,281	3,688	1,649	4,311	73	2,328	8,262	18,342	59,862
14	401,058	20,597	17.445	1,700	781	671	279,147	118,415	3,631	977	4,243	78	2,259	8,294	18,082	59,842
21	394,724	18,035	14,878	1,650	567	940	277,309	117,826	3,631	813	3,885	79	2,272	8,209	17,995	59,836
28	393,187	18,341	15.558	1,616	493	674	275,077	117,000	3,640	551	3,309	75	2,265	8,135	17,860	59,749
Feb. 4	394,770	18,435	15,655	1.623	550	607	276.283	117,222	3,639	877	3,857	78	2,292	8,372	17,828	59,667
11	394,924	19,596	16,826	1.521	588	661	275.413	116,930	3,625	834	4,084	72	2,304	8,261	17,850	59,643
18	395,889	18,816	16.448	1,233	561	574	276,612	116,738	3,631	1,137	4,215	84	2,301	8,548	17,767	59,748
25	391,503	17,366	15.017	1,182	450	717	274,898	116,201	3,627	876	4,134	77	2,302	8,249	17,780	59,722
New York City																
1975																
Feb. 5	93,753	1,125	914	126	......	85	77,714	40,511	144	946	2,143	18	487	3,530	8,429	8,883
12	93,876	1,700	1,405	130	26	139	76,647	40,347	133	517	1,899	17	488	3,363	8,383	8,899
19	96,432	2,514	2,131	125	......	258	78,172	40,429	141	1,130	2,405	20	492	3,530	8,332	8,885
26	93,593	1,361	1,126	117	5	113	76,623	40,353	139	725	1,878	18	476	3,270	8,238	8,873
1976																
Jan. 7	92,527	838	617	88	......	133	73,326	37,538	107	1,439	2,599	16	453	2,790	6,987	9,533
14	91,908	1,637	1,405	125	15	92	71,745	36,867	103	898	2,519	18	394	2,861	6,961	9,507
21	90,501	1,839	1,365	74	......	400	71,023	36,573	101	755	2,489	19	389	2,734	6,996	9,498
28	89,993	2,108	1,777	157	......	174	69,773	36,223	100	490	2,026	19	390	2,702	6,946	9,456
Feb. 4	90,426	1,355	1,082	140	......	133	70,806	36.250	93	783	2,601	19	393	2,854	6,966	9,441
11	89,618	1,285	1,117	40	......	128	70,290	35,948	91	731	2,787	18	398	2,735	6,943	9,461
18	91,587	1,762	1,532	99	......	131	71,333	35,791	92	1,044	3,016	21	396	2,989	6,929	9,493
25	89,672	1,172	848	65	......	259	70.421	35,486	90	831	2,908	19	396	2,917	6,965	9,480
Outside New York City																
1975																
Feb. 5	304,585	20,019	16,141	1,803	1,248	827	215,187	86,795	3,364	521	1,164	64	1,953	6,442	12,493	51,448
12	301,848	18,982	15,397	1,672	974	939	213,603	86,543	3,323	68	888	66	1,950	6,281	12,401	51,242
19	302,268	17,930	14,411	1.604	1,076	839	213,969	86,461	3,308	157	1,056	62	1,971	6,561	12,384	51,331
26	299,209	16,137	12,861	1,430	1,060	786	213,114	86,394	3,303	75	926	63	1,949	6,320	12,222	51,324
1976																
Jan. 7	310,259	19,427	15.667	2,599	677	484	208,237	81,743	3,581	210	1,712	57	1,875	5,472	11,355	50,329
14	309,150	18,960	16,040	1,575	766	579	207.402	81,548	3,528	79	1,724	60	1,865	5,433	11,121	50,335
21	304,223	16,196	13,513	1.576	567	540	206,286	81,253	3,530	58	1,396	60	1,883	5,475	10,999	50,338
28	303,194	16,233	13.781	1,459	493	500	205,304	80,777	3,540	61	1,283	56	1,875	5,433	10,914	50,293
Feb. 4	304,344	17,080	14,573	1,483	550	474	205,477	80,972	3,546	94	1,256	59	1,899	5,518	10,862	50,226
11	305,306	18,311	15,709	1.481	588	533	205,123	80,982	3,534	103	1,297	54	1,906	5.526	10,907	50,182
18	304,302	17,054	14,916	1,134	561	443	205,279	80,947	3,539	93	1,199	63	1,905	5,559	10,838	50,255
25	301,831	16,194	14,169	1,117	450	458	204,477	80,715	3,537	45	1,226	58	1,906	5,332	10,815	50,242

▲ Effective with changes in New York State branch banking laws, beginning Jan. 1, 1976, three large New York City banks are now reporting combined totals for previously affiliated banks that have been converted to branches.

The principal effects of these changes were to increase the reported data for New York City (total assets, by about $5.5 billion) and to decrease the reported data for "Outside New York City" (total assets, by about $4.0 billion).

Historical data (from Jan. 1972) on a basis comparable with 1976 data *are available from the Public Information Department of the Federal* Reserve Bank of New York on request.

For other notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Loans (cont.)					Investments										Wednesday
Other (cont.)					U.S. Treasury securities					Other securities					
To commercial banks		Consumer instalment	Foreign govts.[2]	All other	Total	Bills	Notes and bonds maturing—			Total	Obligations of States and political subdivisions		Other bonds, corp. stocks, and securities		
Domestic	Foreign						Within 1 yr.	1 to 5 yrs.	After 5 yrs.		Tax warrants[3]	All other	Certif. of participation[4]	All other[5]	
															Large banks— Total
															1975
2,871	5,455	34,875	1,405	18,960	22,864	3,395	3,787	12,383	3,299	61,429	6,336	40,096	2,480	12,517	Feb. 5
3,103	5,478	34,788	1,436	18,637	23,365	4,147	3,736	12,223	3,259	61,427	6,302	40,155	2,479	12,491	12
2,829	5,498	34,686	1,471	19,002	24,539	4,067	3,458	13,311	3,703	61,576	6,300	40,221	2,513	12,542	19
2,856	5,509	34,596	1,418	18,812	24,207	4,101	3,437	13,097	3,572	61,360	6,200	40,268	2,562	12,330	26
															1976
2,168	5,625	35,483	1,650	18,841	40,618	13,426	6,755	17,678	2,759	60,340	6,550	39,709	2,317	11,764	Jan. 7
2,207	5,487	35,483	1,616	18,533	41,362	14,159	6,903	17,524	2,776	59,952	6,364	39,621	2,278	11,689	14
2,064	5,404	35,405	1,741	18,149	39,963	13,249	6,748	17,314	2,652	59,417	6,194	39,407	2,251	11,565	21
2,051	5,219	35,406	1,707	18,110	40,456	13,029	6,737	17,509	3,181	59,313	6,103	39,418	2,241	11,551	28
2,155	5,113	35,364	1,663	18,156	40,682	12,629	6,826	18,138	3,089	59,370	6,231	39,230	2,222	11,687	Feb. 4
1,925	5,124	35,261	1,717	17,783	40,534	12,677	6,756	18,035	3,066	59,381	6,214	39,323	2,168	11,676	11
1,921	5,244	35,191	1,770	18,317	41,107	13,062	6,013	19,119	2,913	59,354	6,053	39,387	2,184	11,730	18
2,005	5,127	35,234	1,768	17,796	40,083	12,440	6,006	18,826	2,811	59,156	5,955	39,502	2,168	11,531	25
															New York City
															1975
1,501	2,654	3,652	692	4,124	4,659	707	434	2,478	1,040	10,255	1,864	5,809	225	2,357	Feb. 5
1,504	2,706	3,637	702	4,052	5,191	1,277	449	2,461	1,004	10,338	1,894	5,837	215	2,392	12
1,480	2,684	3,641	708	4,295	5,530	1,089	488	2,764	1,189	10,216	1,850	5,776	196	2,394	19
1,438	2,762	3,619	691	4,143	5,443	1,069	483	2,725	1,166	10,166	1,736	5,808	199	2,423	26
															1976
786	2,405	3,806	635	4,232	8,784	2,701	1,073	4,222	788	9,579	1,371	6,191	204	1,813	Jan. 7
745	2,402	3,828	589	4,053	9,054	2,984	1,119	4,164	787	9,472	1,306	6,173	209	1,784	14
692	2,426	3,805	637	3,909	8,304	2,425	1,011	4,109	759	9,335	1,229	6,118	206	1,782	21
691	2,250	3,798	628	4,054	8,830	2,586	1,029	4,135	1,080	9,282	1,179	6,157	205	1,741	28
664	2,228	3,808	606	4,100	9,016	2,635	1,070	4,401	910	9,249	1,310	6,029	200	1,710	Feb. 4
605	2,233	3,780	644	3,916	8,799	2,372	1,075	4,478	874	9,244	1,272	6,038	195	1,739	11
611	2,372	3,758	623	4,198	9,294	2,885	975	4,714	720	9,198	1,178	6,124	194	1,702	18
652	2,285	3,759	612	4,021	8,871	2,865	1,006	4,438	562	9,208	1,163	6,192	193	1,660	25
															Outside New York City
															1975
1,370	2,801	31,223	713	14,836	18,205	2,688	3,353	9,905	2,259	51,174	4,472	34,287	2,255	10,160	Feb. 5
1,599	2,772	31,151	734	14,585	18,174	2,870	3,287	9,762	2,255	51,089	4,408	34,318	2,264	10,099	12
1,349	2,814	31,045	763	14,707	19,009	2,978	2,970	10,547	2,514	51,360	4,450	34,445	2,317	10,148	19
1,418	2,747	30,977	727	14,669	18,764	3,032	2,954	10,372	2,406	51,194	4,464	34,460	2,363	9,907	26
															1976
1,382	3,220	31,677	1,015	14,609	31,834	10,725	5,682	13,456	1,971	50,761	5,179	33,518	2,113	9,951	Jan. 7
1,462	3,085	31,655	1,027	14,480	32,308	11,175	5,784	13,360	1,989	50,480	5,058	33,448	2,069	9,905	14
1,372	2,978	31,600	1,104	14,240	31,659	10,824	5,737	13,205	1,893	50,082	4,965	33,289	2,045	9,783	21
1,360	2,969	31,608	1,079	14,056	31,626	10,443	5,708	13,374	2,101	50,031	4,924	33,261	2,036	9,810	28
1,491	2,885	31,556	1,057	14,056	31,666	9,994	5,756	13,737	2,179	50,121	4,921	33,201	2,022	9,977	Feb. 4
1,320	2,891	31,481	1,073	13,867	31,735	10,305	5,681	13,557	2,192	50,137	4,942	33,285	1,973	9,937	11
1,310	2,872	31,433	1,147	14,119	31,813	10,177	5,038	14,405	2,193	50,156	4,875	33,263	1,990	10,028	18
1,353	2,842	31,475	1,156	13,775	31,212	9,575	5,000	14,388	2,249	49,948	4,792	33,310	1,975	9,871	25

For notes see pp. A-18 and A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Wednesday	Cash items in process of collection	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks	Investments in subsidiaries not consolidated	Other assets	Total assets/total liabilities	Deposits						
								Demand						
								Total[6]	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank		Foreign govts., etc.[2]
												Commercial	Mutual savings	
Large banks Total														
1975														
Feb. 5	32,373	25,684	4,263	11,252	1,681	33,615	507,206	160,076	113,550	6,458	2,783	22,886	760	1,270
12	31,784	25,502	4,687	11,551	1,684	33,370	504,302	154,431	112,952	6,005	1,464	21,157	678	1,291
19	36,530	21,458	4,816	11,561	1,705	33,720	508,490	160,855	115,612	6,561	1,582	23,299	641	1,116
26	29,951	24,044	4,832	10,265	1,696	33,941	497,531	153,412	112,837	6,105	1,456	20,333	625	1,222
1976														
Jan. 7	35,694	23,077	5,539	14,301	1,940	39,625	522,962	173,691	124,436	6,494	2,867	26,592	863	1,410
14	35,063	21,175	5,553	13,188	1,922	40,433	518,392	168,445	124,486	6,087	1,433	23,575	770	1,053
21	34,174	22,202	5,363	12,446	1,966	38,931	509,806	164,975	119,615	6,137	2,879	23,040	742	1,128
28	31,546	22,884	5,325	13,235	1,919	39,683	507,779	159,545	116,670	6,061	1,995	22,262	686	986
Feb. 4	34,943	22,411	4,633	12,678	1,963	40,956	512,354	165,266	118,047	6,366	3,464	23,821	816	979
11	32,910	19,940	4,945	12,365	1,935	41,650	508,669	160,269	117,290	6,056	1,777	22,523	708	1,032
18	43,914	20,000	5,299	13,586	1,935	41,159	521,782	174,892	122,931	6,531	3,418	27,013	728	935
25	32,191	22,513	5,262	11,009	1,929	41,124	505,531	157,115	115,133	6,220	1,898	21,251	644	991
New York City														
1975														
Feb. 5	11,774	9,133	640	4,687	766	12,152	132,905	47,687	27,068	655	654	10,802	454	998
12	11,808	7,996	674	5,301	768	11,885	132,308	45,153	26,572	540	139	9,873	386	1,055
19	12,335	6,614	693	5,042	773	12,324	134,213	47,399	27,244	537	152	10,820	337	897
26	11,437	6,691	677	4,513	773	12,195	129,879	46,486	27,899	617	295	9,826	363	1,022
1976														
Jan. 7	12,007	8,367	867	5,838	849	13,070	133,525	50,246	28,531	510	553	13,109	507	1,149
14	12,388	7,028	858	5,687	846	13,624	132,339	48,951	29,432	562	153	11,423	444	838
21	12,516	6,271	829	5,272	846	12,277	128,512	48,519	28,104	619	545	11,323	410	905
28	12,191	6,583	811	5,867	844	12,629	128,918	47,731	28,244	584	335	11,383	370	773
Feb. 4	11,782	6,217	745	5,391	843	13,301	128,705	47,875	27,898	640	680	10,605	452	785
11	11,815	5,553	766	5,403	847	14,253	128,255	46,118	27,061	632	311	10,812	367	825
18	15,992	5,599	833	5,146	847	13,893	133,897	52,636	28,639	645	647	13,123	383	737
25	11,410	7,077	808	4,467	847	13,801	128,082	45,720	27,241	618	325	9,826	331	799
Outside New York City														
1975														
Feb. 5	20,599	16,551	3,623	6,565	915	21,463	374,301	112,389	86,482	5,803	2,129	12,084	306	272
12	19,976	17,506	4,013	6,250	916	21,485	371,994	109,278	86,380	5,465	1,325	11,284	292	236
19	24,195	14,844	4,123	6,519	932	21,396	374,277	113,456	88,368	6,024	1,430	12,479	304	219
26	18,514	17,353	4,155	5,752	923	21,746	367,652	106,926	84,938	5,488	1,161	10,507	262	200
1976														
Jan. 7	23,687	14,710	4,672	8,463	1,091	26,555	389,437	123,445	95,905	5,984	2,314	13,483	356	261
14	22,675	14,147	4,695	7,501	1,076	26,809	386,053	119,494	95,054	5,525	1,280	12,152	326	215
21	21,658	15,931	4,534	7,174	1,120	26,654	381,294	116,456	91,511	5,518	2,334	11,717	332	223
28	19,355	16,301	4,514	7,368	1,075	27,054	378,861	111,814	88,426	5,477	1,660	10,879	316	213
Feb. 4	23,161	16,194	3,888	7,287	1,120	27,655	383,649	117,391	90,149	5,726	2,784	13,216	364	194
11	21,095	14,387	4,179	6,962	1,088	27,397	380,414	114,151	90,229	5,424	1,466	11,711	341	207
18	27,922	14,401	4,466	8,440	1,088	27,266	387,885	122,256	94,292	5,886	2,771	13,890	345	198
25	20,781	15,436	4,454	6,542	1,082	27,323	377,449	111,395	87,892	5,602	1,573	11,425	313	192

For notes see pp. A-18 and A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Deposits (cont.)								Federal funds purchased, etc.[7]	Borrowings from—		Other liabilities, etc.[8]	Reserves for—		Total capital accounts	Wednesday
Demand (cont.)		Time and savings													
			IPC												
Foreign commercial banks	Certified and officers' checks	Total[6]	Savings	Other	States and political subdivisions	Domestic interbank	Foreign govts.[2]		F.R. Banks	Other		Loans	Securities		
															Large banks—Total
															1975
4,927	7,442	226,426	59,355	120,457	25,115	7,819	11,597	52,983	8	3,798	23,795	5,574	61	34,485	Feb. 5
5,119	5,765	226,771	59,595	120,715	25,460	7,245	11,706	55,541	34	3,766	23,589	5,575	60	34,535	12
5,018	7,026	225,149	59,852	119,233	25,342	7,038	11,716	54,030	1,053	3,627	23,683	5,567	60	34,466	19
5,010	5,824	225,285	60,073	119,134	25,441	7,143	11,568	50,901	759	3,663	23,372	5,581	60	34,498	26
															1976
4,812	6,217	226,854	69,919	113,896	22,542	8,071	11,044	52,410	....	3,955	23,693	5,482	71	36,806	Jan. 7
4,794	6,247	226,521	70,627	113,220	22,668	7,918	10,539	53,813	6	3,718	23,592	5,445	71	36,781	14
5,026	6,408	225,389	71,670	111,619	22,484	7,826	10,315	49,716	799	3,413	23,106	5,430	71	36,907	21
4,776	6,109	225,352	72,459	111,153	22,341	7,807	10,121	53,753	77	3,541	23,070	5,414	74	36,953	28
5,130	6,643	224,233	73,638	109,485	22,156	7,625	9,725	52,554	5	3,529	24,161	5,196	285	37,125	Feb. 4
4,775	6,108	224,145	74,570	108,790	21,949	7,593	9,657	54,240	12	3,491	23,863	5,445	74	37,130	11
5,446	7,890	222,682	74,787	107,651	21,804	7,460	9,389	54,054	....	3,371	24,095	5,495	75	37,118	18
5,178	5,800	223,215	75,269	107,629	22,108	7,527	9,079	54,663	629	2,975	24,348	5,497	76	37,013	25
															New York City
															1975
3,653	3,403	50,440	6,628	29,336	1,910	3,910	7,127	14,003	....	1,302	8,437	1,641	....	9,395	Feb. 5
3,781	2,807	50,332	6,678	29,501	1,974	3,514	7,143	16,185	....	1,320	8,273	1,650	....	9,395	12
3,725	3,687	50,062	6,693	29,140	1,985	3,549	7,218	15,121	981	1,229	8,381	1,653	....	9,387	19
3,685	2,779	50,149	6,731	29,143	2,030	3,615	7,168	12,742	....	1,210	8,250	1,651	....	9,391	26
															1976
3,340	2,547	46,104	7,988	25,518	1,447	3,036	7,159	14,297	....	2,054	8,806	1,693	1	10,324	Jan. 7
3,364	2,735	45,811	8,079	25,277	1,390	3,043	7,022	14,710	....	1,904	8,943	1,691	1	10,328	14
3,504	3,109	45,041	8,191	24,612	1,369	3,059	6,869	12,165	195	1,682	8,924	1,628	1	10,357	21
3,370	2,672	44,719	8,320	24,378	1,329	3,094	6,660	13,732	70	1,838	8,818	1,630	1	10,379	28
3,798	3,017	44,190	8,536	23,685	1,389	3,032	6,483	13,529	....	1,759	9,297	1,659	1	10,395	Feb. 4
3,491	2,619	44,213	8,645	23,529	1,392	3,140	6,466	14,623	....	1,778	9,421	1,705	1	10,396	11
4,030	4,432	43,810	8,621	23,291	1,414	3,114	6,325	14,211	....	1,697	9,430	1,704	1	10,408	18
3,839	2,741	43,847	8,671	23,404	1,484	3,150	6,085	15,001	574	1,283	9,562	1,714	1	10,380	25
															Outside New York City
															1975
1,274	4,039	175,986	52,727	91,121	23,205	3,909	4,470	38,980	8	2,496	15,358	3,933	61	25,090	Feb. 5
1,338	2,958	176,439	52,917	91,214	23,486	3,731	4,563	39,356	34	2,446	15,316	3,925	60	25,140	12
1,293	3,339	175,087	53,159	90,093	23,357	3,489	4,498	38,909	72	2,398	15,302	3,914	60	25,079	19
1,325	3,045	175,136	53,342	89,991	23,411	3,528	4,400	38,159	759	2,453	15,122	3,930	60	25,107	26
															1976
1,472	3,670	180,750	61,931	88,378	21,095	5,035	3,885	38,113	....	1,901	14,887	3,789	70	26,482	Jan. 7
1,430	3,512	180,710	62,548	87,943	21,278	4,875	3,517	39,103	6	1,814	14,649	3,754	70	26,453	14
1,522	3,299	180,348	63,479	87,007	21,115	4,767	3,446	37,551	604	1,731	14,182	3,802	70	26,550	21
1,406	3,437	180,633	64,139	86,775	21,012	4,713	3,461	40,021	7	1,703	14,252	3,784	73	26,574	28
1,332	3,626	180,043	65,102	85,800	20,767	4,593	3,242	39,025	5	1,770	14,864	3,537	284	26,730	Feb. 4
1,284	3,489	179,932	65,925	85,261	20,557	4,453	3,191	39,617	12	1,713	14,442	3,740	73	26,734	11
1,416	3,458	178,872	66,166	84,360	20,390	4,346	3,064	39,843	....	1,674	14,665	3,791	74	26,710	18
1,339	3,059	179,368	66,598	84,225	20,624	4,377	2,994	39,662	55	1,692	14,786	3,783	75	26,633	25

For notes see pp. A-18 and A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Wednesday	Memoranda													
	Total loans (gross) adjusted[9]	Total loans and investments (gross) adjusted[9]	Demand deposits adjusted[10]	Large negotiable time CD's included in time and savings deposits[11]			All other large time deposits[12]			Savings ownership categories				Gross liabilities of banks to their foreign branches
				Total	Issued to IPC's	Issued to others	Total	Issued to IPC's	Issued to others	Individuals and nonprofit organizations	Partnerships and corporations for profit[13]	Domestic governmental units	All other[14]	
Large banks—Total														
1975														
Feb. 5	294,119	378,412	102,034	89,890	61,842	28,048	37,795	20,967	16,828	59,355	......	......	......	2,230
12	291,027	375,819	100,026	89,776	62,127	27,649	37,764	20,745	17,019	59,595	......	......	......	1,937
19	293,214	379,329	99,444	88,055	60,698	27,357	37,410	20,469	16,941	59,852	......	......	......	1,867
26	290,392	375,959	101,672	87,961	60,572	27,389	37,526	20,515	17,011	60,073	......	......	......	1,869
1976														
Jan. 7	283,376	384,334	108,538	80,075	53,764	26,311	33,774	18,181	15,593	68,533	989	336	61	3,401
14	280,092	381,406	108,374	78,753	53,012	25,741	33,982	17,995	15,987	69,005	1,141	417	64	3,350
21	278,402	377,782	104,882	76,867	51,439	25,428	33,932	18,291	15,641	69,779	1,347	484	60	3,449
28	275,809	375,578	103,742	76,290	50,984	25,306	32,540	17,136	15,404	70,306	1,528	563	62	3,118
Feb. 4	276,908	376,960	103,038	74,215	49,243	24,972	31,924	16,882	15,042	70,843	1,805	761	229	3,258
11	276,258	376,173	103,059	73,643	48,617	25,026	31,216	16,599	14,617	71,835	1,861	745	129	2,987
18	277,059	377,520	100,547	72,113	47,460	24,653	30,782	16,333	14,449	71,969	1,966	759	93	3,253
25	275,242	374,481	101,775	71,949	47,235	24,714	30,690	16,246	14,444	72,255	2,141	790	83	3,312
New York City														
1975														
Feb. 5	76,424	91,338	24,457	30,719	20,516	10,203	9,771	5,824	3,947	6,628	......	......	......	1,251
12	75,438	90,967	23,333	30,613	20,708	9,905	9,653	5,706	3,947	6,678	......	......	......	1,236
19	77,075	92,821	24,092	30,466	20,452	10,014	9,546	5,674	3,872	6,693	......	......	......	1,236
26	75,420	91,029	24,928	30,573	20,462	10,111	9,432	5,586	3,846	6,731	......	......	......	1,088
1976														
Jan. 7	72,761	91,124	24,577	27,175	17,414	9,761	7,557	4,910	2,647	7,832	50	63	43	2,507
14	71,232	89,758	24,987	26,729	17,118	9,611	7,586	4,783	2,803	7,851	62	120	46	2,672
21	70,805	88,444	24,135	26,073	16,588	9,485	7,985	5,285	2,700	7,940	83	126	42	2,598
28	69,413	87,525	23,822	25,864	16,458	9,406	6,971	4,394	2,577	8,036	99	144	41	2,309
Feb. 4	70,415	88,680	24,808	25,205	15,784	9,421	6,840	4,340	2,500	8,134	114	184	104	2,433
11	69,853	87,896	23,180	25,247	15,614	9,633	6,683	4,320	2,363	8,191	134	214	106	2,224
18	70,952	89,444	22,874	24,905	15,433	9,472	6,590	4,226	2,364	8,192	147	212	70	2,447
25	70,093	88,172	24,159	24,946	15,529	9,417	6,533	4,222	2,311	8,235	162	218	56	2,380
Outside New York City														
1975														
Feb. 5	217,695	287,074	77,577	59,171	41,326	17,845	28,024	15,143	12,881	52,727	......	......	......	979
12	215,589	284,852	76,693	59,163	41,419	17,744	28,111	15,039	13,072	52,917	......	......	......	701
19	216,139	286,508	75,352	57,589	40,246	17,343	27,864	14,795	13,069	53,159	......	......	......	631
26	214,972	284,930	76,744	57,388	40,110	17,278	28,094	14,929	13,165	53,342	......	......	......	781
1976														
Jan. 7	210,615	293,210	83,961	52,900	36,350	16,550	26,217	13,271	12,946	60,701	939	273	18	894
14	208,860	291,648	83,387	52,024	35,894	16,130	26,396	13,212	13,184	61,154	1,079	297	18	678
21	207,597	289,338	80,747	50,794	34,851	15,943	25,947	13,006	12,941	61,839	1,264	358	18	851
28	206,396	288,053	79,920	50,426	34,526	15,900	25,569	12,742	12,827	62,270	1,429	419	21	809
Feb. 4	206,493	288,280	78,230	49,010	33,459	15,551	25,084	12,542	12,542	62,709	1,691	577	125	825
11	206,405	288,277	79,879	48,396	33,003	15,393	24,533	12,279	12,254	63,644	1,727	531	23	763
18	206,107	288,076	77,673	47,208	32,027	15,181	24,192	12,107	12,085	63,777	1,819	547	23	806
25	205,149	286,309	77,616	47,003	31,706	15,297	24,157	12,024	12,133	64,020	1,979	572	27	932

▲ See p. A-18.

[1] Includes securities purchased under agreements to resell.

[2] Includes official institutions and so forth.

[3] Includes short-term notes and bills.

[4] Federal agencies only.

[5] Includes corporate stocks.

[6] Includes U.S. Govt. and foreign bank deposits, *not shown separately.*

[7] Includes securities sold under agreements to repurchase.

[8] Includes minority interest in consolidated subsidiaries.

[9] Exclusive of loans and Federal funds transactions with domestic commercial banks.

[10] All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.

[11] Certificates of deposit issued in denominations of $100,000 or more.

[12] All other time deposits issued in denominations of $100,000 or more (not included in large negotiable CD's).

[13] Other than commercial banks.

[14] Domestic and foreign commercial banks, and official international organizations.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1976					1976		1975	1975			1975	
	Feb. 25	Feb. 18	Feb. 11	Feb. 4	Jan. 28	Feb.	Jan.	Dec.	IV	III	II	2nd half	1st half
Durable goods manufacturing:													
Primary metals	2,056	2,055	2,076	2,048	2,039	17	−34	18	62	−12	−26	50	18
Machinery	5,469	5,516	5,555	5,529	5,555	−86	−204	−86	−781	−887	−643	−1,668	−1,314
Transportation equipment	3,095	3,147	3,170	3,163	3,173	−78	128	−227	−267	−198	−296	−465	−302
Other fabricated metal products	2,025	2,049	2,003	2,003	2,010	15	37	−132	−473	−277	−211	−750	−188
Other durable goods	3,579	3,561	3,585	3,602	3,601	−22	148	−151	−514	−174	−324	−688	−718
Nondurable goods manufacturing:													
Food, liquor, and tobacco	3,521	3,523	3,507	3,529	3,529	−8	−251	241	455	13	−519	468	−1,609
Textiles, apparel, and leather	2,902	2,853	2,841	2,763	2,689	213	−2	−185	−477	−55	−148	−532	−287
Petroleum refining	2,414	2,398	2,379	2,387	2,361	53	−1	−147	−234	118	283	−116	228
Chemicals and rubber	2,686	2,684	2,641	2,593	2,595	91	−96	40	−178	−253	−321	−431	−260
Other nondurable goods	1,898	1,923	1,898	1,905	1,894	4	86	57	−268	−147	9	−415	−283
Mining, including crude petroleum and natural gas	6,175	6,140	6,097	6,095	5,990	185	37	691	789	276	108	1,065	−149
Trade: Commodity dealers	1,584	1,586	1,592	1,588	1,608	−24	26	38	340	137	−328	477	−972
Other wholesale	5,444	5,483	5,518	5,479	5,431	13	−8	−75	−103	−78	−534	−181	−1,108
Retail	5,717	5,682	5,758	5,834	5,743	−26	−49	−593	−208	−309	−214	−517	−398
Transportation	5,961	5,946	5,910	5,926	5,943	18	−125	149	127	−124	−145	3	−321
Communication	1,818	1,855	1,879	1,894	1,853	−35	−131	−1	−49	−109	17	−158	−357
Other public utilities	6,494	6,547	6,597	6,698	6,693	−199	−304	66	33	−231	−404	−198	−1,423
Construction	4,970	4,982	5,003	5,002	5,017	−47	−108	−127	−381	−55	−83	−436	−622
Services	10,695	10,748	10,715	10,728	10,727	−32	−92	270	285	−300	−362	−15	−1,120
All other domestic loans	8,984	9,051	9,225	9,557	9,672	−688	−718	869	615	15	−64	630	−372
Bankers acceptances	3,514	3,679	3,671	3,689	3,679	−165	−1,266	928	2,855	−170	28	2,685	599
Foreign commercial and industrial loans	5,320	5,332	5,276	5,338	5,409	−89	121	154	222	535	233	757	294
Total classified loans	96,321	96,740	96,896	97,350	97,211	−890	−2,806	1,683	1,850	−2,285	−3,944	−435	−10,604
Comm. paper included in total classified loans	*433*	....	....	....	*392*	*41*	*−45*	*254*	*153*	*44*	*−9*	*197*	*240*
Total commercial and industrial loans of large commercial banks	116,201	116,738	116,930	117,222	117,000	−799	−3,998	1,844	1,992	−2,590	−4,143	−598	−10,370

For notes see table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding									Net change during —				
	1976		1975							1975				
	Feb. 25	Jan. 28	Dec. 31	Nov. 26	Oct. 29	Sept. 24	Aug. 27	July 30	June 25	IV	III	II	I	2nd half
Durable goods manufacturing:														
Primary metals	1,335	1,341	1,372	1,381	1,320	1,338	1,286	1,269	1,288	34	50	4	74	85
Machinery	3,072	3,117	3,313	3,451	3,538	3,737	3,825	3,864	3,977	−424	−240	−94	−74	−664
Transportation equipment	1.643	1,686	1,615	1,727	1,624	1,693	1,722	1,725	1,740	−78	−47	68	−1	−117
Other fabricated metal products	1,035	1,041	1,024	1,087	1,175	1,268	1,228	1,196	1,222	−244	46	−90	115	−187
Other durable goods	1.838	1,874	1,823	1,905	1,950	2,012	2,042	2,058	2,090	−189	−78	−161	−140	−272
Nondurable goods manufacturing:														
Food, liquor, and tobacco	1,536	1,547	1,578	1,544	1,451	1,471	1,461	1,440	1,514	107	−43	−47	−202	58
Textiles, apparel, and leather	1,055	1,032	995	1,072	1,074	1,103	1,077	1,116	1,095	−108	8	−63	13	−103
Petroleum refining	1,886	1,859	1,831	1,860	1,914	1,967	1,889	1,828	1,709	−136	258	226	−35	123
Chemicals and rubber	1,603	1,588	1,622	1,549	1,605	1,665	1,645	1,678	1,762	−43	−97	−84	−32	−140
Other nondurable goods	942	925	888	955	995	1,056	1,023	1,085	1,143	−168	−87	13	−105	−255
Mining, including crude petroleum and natural gas	4,731	4,528	4,484	3,867	3,896	3,847	3,754	3,801	3,734	637	113	197	−164	703
Trade: Commodity dealers	182	196	172	168	162	150	148	152	148	22	2	−2	−5	24
Other wholesale	1,279	1,290	1,276	1,308	1,403	1,319	1,371	1,344	1,329	−43	−10	−121	−42	−62
Retail	1,987	2,007	1,996	2,115	2,150	2,153	2,139	2,111	2,136	−157	17	−147	−311	−150
Transportation	4,329	4,291	4,390	4,324	4,420	4,391	4,405	4,399	4,425	−1	−34	−99	−26	10
Communication	1,095	1,101	1,081	1,112	1,122	1,132	1,149	1,136	1,133	−51	−1	−2	53	−56
Other public utilities	3,940	3,995	3,979	3,942	4,027	3,966	3,902	4,018	4,045	13	−79	11	71	−60
Construction	2,141	2,258	2,181	2,207	2,267	2,359	2,367	2,360	2,314	−178	45	117	−97	−149
Services	5,147	5,038	5,135	5,082	5,097	5,122	5,010	5,155	5,140	13	−18	−290	−102	−31
All other domestic loans	3,093	3,396	3,299	3,116	3,054	3,244	3,257	3,232	3,258	55	−14	176	−142	49
Foreign commercial and industrial loans	3,001	2,999	2,921	2,851	2,834	2,763	2,695	2,676	2,594	158	169	66	71	304
Total loans	46,870	47,109	46,975	46,623	47,078	47,756	47,395	47,643	47,796	−781	−40	−322	−1,081	−890

NOTE.—About 160 weekly reporting banks are included in this series; these banks classify by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by *all* weekly reporting banks and about 70 per cent of those held by all commercial banks.

For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 BULLETIN, p. 209.

Commercial and industrial "term" loans are all outstanding loans with an original maturity of more than 1 year and all outstanding loans granted *under a formal agreement*—*revolving credit or standby*—on which the original maturity of the commitment was in excess of 1 year.

GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS[1]

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, IPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All insured commercial banks:						
1970—Dec.	17.3	92.7	53.6	1.3	10.3	175.1
1971—Dec.	18.5	98.4	58.6	1.3	10.7	187.5
1972—Mar.	20.2	92.6	54.7	1.4	12.3	181.2
June	17.9	97.6	60.5	1.4	11.0	188.4
Sept.	18.0	101.5	63.1	1.4	11.4	195.4
Dec.	18.9	109.9	65.4	1.5	12.3	208.0
1973—Mar.	18.6	102.8	65.1	1.7	11.8	200.0
June	18.6	106.6	67.3	2.0	11.8	206.3
Sept.	18.8	108.3	69.1	2.1	11.9	210.3
Dec.	19.1	116.2	70.1	2.4	12.4	220.1
1974—Mar.	18.9	108.4	70.6	2.3	11.0	211.2
June	18.2	112.1	71.4	2.2	11.1	215.0
Sept.	17.9	113.9	72.0	2.1	10.9	216.8
Dec.	19.0	118.8	73.3	2.3	11.7	225.0
1975—Mar.	18.6	111.3	73.2	2.3	10.9	216.3
June	19.4	115.1	74.8	2.3	10.6	222.2
Sept.	19.0	118.7	76.5	2.2	10.6	227.0
Dec.	20.1	125.1	78.0	2.4	11.3	236.9
Weekly reporting banks:						
1971—Dec.	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.	14.7	64.4	27.1	1.4	6.6	114.3
1973—Dec.	14.9	66.2	28.0	2.2	6.8	118.1
1974—Dec.	14.8	66.9	29.0	2.2	6.8	119.7
1975—Feb.	14.4	63.1	27.9	2.3	6.2	113.9
Mar.	14.1	63.2	28.2	2.2	6.4	114.1
Apr.	15.0	63.3	30.1	2.2	6.5	117.0
May	14.2	63.1	29.2	2.3	6.2	115.0
June	15.1	65.1	29.5	2.2	6.2	118.1
July	15.0	65.3	29.8	2.2	6.5	118.7
Aug.	14.4	64.6	29.1	2.0	5.9	116.1
Sept.	14.7	65.5	29.6	2.1	6.2	118.1
Oct.	15.1	66.7	29.0	2.2	6.3	119.3
Nov.	15.4	68.1	29.4	2.2	6.4	121.6
Dec.	15.6	69.9	29.9	2.3	6.6	124.4
1976—Jan.	15.2	68.0	30.3	2.2	6.7	122.4

[1] Including cash items in process of collection.

NOTE.—Daily-average balances maintained during month as estimated from reports supplied by a sample of commercial banks. For a detailed description of the type of depositor in each category, see June 1971 BULLETIN, p. 466.

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1973	Dec. 31, 1974	June 30, 1975	Sept. 30, 1975	Class of bank	Dec. 31, 1973	Dec. 31, 1974	June 30, 1975	Sept. 30, 1975
All commercial	507	389	338	....	All member—Cont.				
Insured	503	387	335	323	Other large banks [1]	58	69	74	74
National member	288	236	223	222	All other member [1]	294	206	186	183
State member	64	39	36	35	All nonmember	155	115	79	66
All member	352	275	260	257	Insured	152	112	76	66
					Noninsured	3	3	3	....

[1] Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than $400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Other large" and "All other member" parallel the previous "Reserve City" (other than in New York City and the City of Chicago) and "Country' categories, respectively (hence the series are continuous over time).

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on p. A-14; from the figures for weekly reporting banks as shown on pp. A-18–A-22 (consumer instalment loans); and from the figures in the table at the bottom of p. A-13. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-14–A-17.

LOANS SOLD OUTRIGHT BY LARGE COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To selected related institutions[1]			
	Total	By type of loan		
		Commercial and industrial	Real estate	All other
1975 Nov. 5	4,771	2,893	197	1,681
12	4,716	2,869	205	1,642
19	4,740	2,877	205	1,658
26	4,701	2,846	205	1,650
Dec. 3	4,677	2,800	201	1,676
10	4,441	2,597	207	1,637
17	4,416	2,575	207	1,634
24	4,486	2,650	204	1,632
31	4,375	2,530	206	1,639
1976 Jan. 7	4,424	2,618	205	1,601
14	4,369	2,617	205	1,547
21	4,355	2,598	205	1,552
28	4,292	2,522	208	1,562
Feb. 4	4,313	2,560	208	1,545
11	4,455	2,710	208	1,537
18	4,441	2,719	205	1,517
25	4,478	2,725	200	1,553

[1] To bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank) and nonconsolidated nonbank subsidiaries of the holding company.

NOTE. Series changed on Aug. 28, 1974. For a comparison of the old and new data for that date, see p. 741 of the Oct. 1974 BULLETIN. Revised figures received since Oct. 1974 that affect that comparison are shown in note 2 to this table in the Dec. 1974 BULLETIN p. A-27.

COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial paper						Dollar acceptances									
	All issuers	Financial companies[1]		Nonfinancial companies[4]	Bank-related[5]		Total	Held by—						Based on—		
								Accepting banks			F. R. Banks		Others			
		Dealer-placed[2]	Directly-placed[3]		Dealer-placed	Directly-placed		Total	Own bills	Bills bought	Own acct.	Foreign corr.[6]		Imports into United States	Exports from United States	All other
1966	13,645	2,332	10,556	757	....	....	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967	17,085	2,790	12,184	2,111	....	....	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968	21,173	4,427	13,972	2,774	....	....	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969	32,600	6,503	20,741	5,356	1,160	3,134	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970	33,071	5,514	20,424	7,133	352	1,997	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971	32,126	5,297	20,582	6,247	524	1,449	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509
1972	34,721	5,655	22,098	6,968	1,226	1,411	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458
1973	41,073	5,487	27,204	8,382	1,938	2,943	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120
1974-Dec.	49,144	4,611	31.839	12.694	^{r}1.814	6.518	18,484	4.226	4.685	542	999	1.109	12.150	4,023	4.067	10.394
1975-Jan.	^{r}51.685	5.029	^{r}32.008	14.648	^{r}1.822	^{r}6.784	18.602	4.357	3,903	454	966	560	12.718	4.120	4.314	10.168
Feb.	^{r}52,415	5.167	^{r}32.516	14.732	^{r}1.786	^{r}7,318	18.579	4.864	4.370	494	993	325	12.398	3,974	4.210	10.396
Mar.	^{r}50.827	5.342	^{r}31.221	14.264	^{r}1.682	^{r}7.272	18.730	4.773	4,085	688	665	263	13.029	3,845	4,296	10.589
Apr.	^{r}51,623	5.461	^{r}32.144	14.018	^{r}1.618	^{r}7.002	18,727	4,485	3,900	585	1.185	235	13.034	3,690	4.206	10.831
May	^{r}51.317	5,889	^{r}32.821	12.607	^{r}1.543	^{r}7,096	18.108	4.450	3,892	558	865	234	12.559	3,665	4.186	10.257
June	^{r}48,765	5,604	^{r}31.115	12.045	^{r}1.561	^{r}7.230	17.740	4.774	4.224	550	682	319	11.965	3.466	4.080	10.193
July	^{r}49.352	6.018	^{r}31.263	12.072	^{r}1,649	^{r}7,038	16.930	4.778	4.275	503	685	329	11.138	3.474	3.865	9.591
Aug.	^{r}49,810	5.645	^{r}32.172	11.993	^{r}1.511	^{r}7.392	16.456	4.546	3.988	558	840	304	^{r}10.766	3.305	3.806	9.344
Sept.	^{r}48.274	5.574	^{r}30.513	12.187	^{r}1,464	^{r}7.333	16,790	5,002	4.190	812	948	302	10.538	3.313	3.783	9.693
Oct.	50,437	6,360	32.351	11.726	1.590	7.157	17.304	5.013	4.288	924	1.047	284	10.760	3.467	3,947	9.890
Nov.	49.557	6,389	32,048	11.120	1,671	7.019	17.875	6.497	5.684	813	727	279	10.372	3.545	3.888	10.443
Dec.	47,739	6,239	31,325	10,175	1.712	6.941	18,727	7.333	5.899	1.435	1.126	293	9.975	3.726	4,001	11.000

[1] Financial companies are 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.

[2] *As reported by dealers; includes all financial company paper* sold in the open market.

[3] As reported by financial companies that place their paper directly with investors.

[4] Nonfinancial companies include public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

[5] Included in dealer- and directly-placed financial company columns. Coverage of bank-related companies was expanded in Aug. 1974. Most of the increase resulting from this expanded coverage occurred in directly-placed paper.

[6] Beginning November 1974, the Board of Governors terminated the System guarantee on acceptances purchased for foreign official accounts.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Monthly average rate	
1974—Apr. 11	10	1975—Jan. 9	10¼	1975—July 18	7¼	1974—Oct.	11.68
19	10¼	15	10	28	7½	Nov.	10.83
25	10½	20	9¾			Dec.	10.50
		28	9½	Aug. 12	7¾		
May 2	10¾					1975—Jan.	10.05
6	11	Feb. 3	9¼	Sept. 15	8	Feb.	8.96
10	11¼	10	9			Mar.	7.93
17	11½	18	8¾	Oct. 27	7¾	Apr.	7.50
		24	8½			May	7.40
June 26	11¾			Nov. 5	7½	June	7.07
		Mar. 5	8¼			July	7.15
July 5	12	10	8	Dec. 2	7¼	Aug.	7.66
		18	7¾			Sept.	7.88
Oct. 7	11¾	24	7½	1976—Jan. 12	7	Oct.	7.96
21	11½			21	6¾	Nov.	7.53
28	11¼	May 20	7¼			Dec.	7.26
Nov. 4	11	June 9	7			1976—Jan.	7.00
14	10¾					Feb.	6.75
25	10½						

NOTE.—Effective Apr. 16, 1973, with the adoption of a two-tier or "dual prime rate," this table shows only the "large-business prime rate," which is the range of rates charged by commercial banks on short-term loans to large businesses with the highest credit standing.

RATES ON BUSINESS LOANS OF BANKS

Center	All sizes		Size of loan (in thousands of dollars)									
			1-9		10-99		100-499		500-999		1,000 and over	
	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975
	Short-term											
35 centers	8.29	8.22	9.56	9.42	9.15	9.02	8.62	8.48	8.38	8.29	8.04	8.00
New York City	7.99	8.00	9.34	9.28	8.98	8.89	8.52	8.44	8.17	7.93	7.87	7.93
7 Other Northeast	8.53	8.43	10.01	9.83	9.36	9.33	8.83	8.71	8.61	8.67	8.15	8.01
8 North Central	8.15	8.12	9.13	9.01	8.97	8.79	8.51	8.39	8.27	8.25	7.91	7.94
7 Southeast	8.70	8.41	9.68	9.58	9.39	9.21	8.74	8.57	8.62	8.32	8.36	7.94
8 Southwest	8.37	8.28	9.38	9.21	8.94	8.76	8.44	8.27	8.18	8.32	8.15	8.06
4 West Coast	8.67	8.45	9.73	9.67	9.29	9.21	8.77	8.51	8.76	8.28	8.56	8.37
	Revolving credit											
35 centers	8.26	8.17	9.93	9.73	9.15	9.06	8.59	8.45	8.41	8.68	8.20	8.07
New York City	8.08	8.37	9.01	8.91	8.90	8.94	8.54	8.41	8.44	8.30	8.03	8.37
7 Other Northeast	8.63	8.09	10.38	10.11	8.91	9.01	8.09	8.01	8.19	8.78	8.72	7.98
8 North Central	8.62	8.27	10.11	9.70	9.57	9.58	9.34	8.81	8.65	8.56	8.49	8.12
7 Southeast	9.50	7.82	10.12	10.07	9.53	9.47	8.74	8.35	8.30	7.50	10.12	7.50
8 Southwest	8.51	8.41	9.18	9.36	9.15	8.88	8.62	8.46	8.49	8.11	8.42	8.49
4 West Coast	8.15	8.02	9.71	9.27	8.99	8.84	8.34	8.39	8.32	9.10	8.09	7.83
	Long-term											
35 centers	8.88	8.89	9.76	9.45	9.18	9.47	9.11	9.01	9.16	8.54	8.79	8.89
New York City	8.44	8.77	7.37	8.80	9.09	8.53	9.13	8.86	9.46	8.01	8.32	8.80
7 Other Northeast	9.10	8.96	9.84	9.35	9.39	10.09	9.02	9.56	8.02	9.28	9.33	8.60
8 North Central	9.03	9.45	9.71	9.71	8.55	9.24	8.94	8.50	9.90	8.23	8.97	9.81
7 Southeast	8.87	8.91	7.82	8.87	8.84	9.66	9.06	9.54	9.36	8.04	8.54	8.30
8 Southwest	8.88	8.41	11.60	9.69	9.44	9.38	9.39	8.67	8.97	8.62	8.65	8.18
4 West Coast	9.27	8.57	9.90	9.60	9.90	9.24	9.32	9.28	9.49	8.47	9.21	8.47

MONEY MARKET RATES

(Per cent per annum)

Period	Prime commercial paper[1]		Finance co. paper placed directly, 3 to 6 months[2]	Prime bankers' acceptances, 90 days[3]	Federal funds rate[4]	U.S. Government securities[5]						
						3-month bills[6]		6-month bills[6]		9- to 12-month issues		3- to 5-year issues[7]
	90–119 days	4 to 6 months				Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield)[6]	Other[7]	
1967	....	5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968	....	5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969	....	7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970	....	7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971	....	5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972	4.66	4.69	4.52	4.47	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973	8.20	8.15	7.40	8.08	8.74	7.041	7.03	7.178	7.20	7.01	7.30	6.92
1974	10.05	9.87	8.62	9.92	10.51	7.886	7.84	7.926	7.95	7.71	8.25	7.81
1975	6.26	6.33	6.16	6.30	5.82	5.838	5.80	6.122	6.11	6.30	6.70	7.55
1975—Feb.	6.36	6.33	6.24	6.35	6.24	5.583	5.50	5.674	5.62	5.56	5.97	6.85
Mar.	6.06	6.06	6.00	6.22	5.54	5.544	5.49	5.635	5.62	5.70	6.10	7.00
Apr.	6.11	6.15	5.97	6.15	5.49	5.694	5.61	6.012	6.00	6.40	6.83	7.76
May	5.70	5.82	5.74	5.76	5.22	5.315	5.23	5.649	5.59	5.91	6.31	7.49
June	5.67	5.79	5.53	5.70	5.55	5.193	5.34	5.463	5.61	5.86	6.26	7.26
July	6.32	6.44	6.02	6.40	6.10	6.164	6.13	6.492	6.50	6.64	7.07	7.72
Aug.	6.59	6.70	6.39	6.74	6.14	6.463	6.44	6.940	6.94	7.16	7.55	8.12
Sept.	6.79	6.86	6.53	6.83	6.24	6.383	6.42	6.870	6.92	7.20	7.54	8.22
Oct.	6.35	6.48	6.43	6.28	5.82	6.081	5.96	6.385	6.25	6.48	6.89	7.80
Nov.	5.78	5.91	5.79	5.79	5.22	5.468	5.48	5.751	5.80	6.07	6.40	7.51
Dec.	5.88	5.97	5.86	5.72	5.20	5.504	5.44	5.933	5.85	6.16	6.51	7.50
1976—Jan.	5.15	5.27	5.16	5.08	4.87	4.961	4.87	5.238	5.14	5.44	5.71	7.18
Feb.	5.13	5.23	5.09	4.99	4.77	4.852	4.88	5.144	5.20	5.53	5.78	7.18
Week ending—												
1975—Nov. 1	5.88	6.00	6.00	5.83	5.65	5.685	5.58	5.974	5.82	6.02	6.42	7.50
8	5.88	6.03	6.00	5.79	5.17	5.602	5.50	5.792	5.71	5.89	6.30	7.41
15	5.75	5.88	5.63	5.77	5.24	5.279	5.37	5.483	5.65	5.96	6.27	7.38
22	5.75	5.88	5.78	5.79	5.24	5.471	5.49	5.796	5.85	6.17	6.47	7.60
29	5.75	5.88	5.78	5.80	5.28	5.520	5.54	5.933	5.98	6.24	6.54	7.62
Dec. 6	5.85	5.98	5.88	5.80	5.25	5.550	5.57	5.995	6.04	6.30	6.65	7.59
13	5.98	6.03	5.95	5.81	5.26	5.633	5.60	6.144	6.06	6.43	6.79	7.67
20	5.95	6.03	5.95	5.72	5.17	5.491	5.44	5.914	5.85	6.20	6.54	7.50
27	5.84	5.94	5.75	5.65	5.18	5.340	5.28	5.678	5.60	5.91	6.25	7.37
1976—Jan. 3	5.69	5.81	5.69	5.52	5.18	5.208	5.19	5.507	5.49	5.77	6.11	7.28
10	5.33	5.40	5.33	5.25	5.12	5.226	5.07	5.521	5.32	5.58	5.91	7.20
17	5.10	5.23	5.13	5.04	4.76	4.826	4.84	5.066	5.11	5.41	5.68	7.14
24	5.10	5.23	5.10	5.01	4.81	4.783	4.78	5.046	5.06	5.37	5.65	7.18
31	5.00	5.13	5.00	4.94	4.80	4.763	4.72	5.052	5.00	5.32	5.53	7.16
Feb. 7	5.05	5.15	5.00	4.95	4.82	4.811	4.90	5.066	5.15	5.45	5.71	7.16
14	5.13	5.25	5.13	4.97	4.73	4.872	4.85	5.133	5.13	5.47	5.74	7.17
21	5.22	5.28	5.13	5.02	4.70	4.854	4.87	5.171	5.22	5.58	5.79	7.20
28	5.13	5.25	5.13	5.04	4.80	4.870	4.90	5.204	5.28	5.62	5.86	7.18

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[1] Averages of the most representative daily offering rate quoted by dealers.

[2] Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90–179 day range.

[3] Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

[4] Seven-day averages of daily effective rates for week ending Wednesday. Since July 19, 1973, the daily effective Federal funds rate is an average of the rates on a given day weighted by the volume of transactions at these rates. Prior to this date, the daily effective rate was the rate considered *most representative of the day's transactions, usually the one at which* most transactions occurred.

[5] Except for new bill issues, yields are averages computed from daily closing bid prices.

[6] Bills quoted on bank-discount-rate basis.

[7] Selected note and bond issues.

NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds				Corporate bonds								Stocks		
	United States (long-term)	State and local			Aaa utility		Total¹	By selected rating		By group			Dividend/ price ratio		Earnings/ price ratio
		Total¹	Aaa	Baa	New issue	Recently offered		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
							Seasoned issues								
1970	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1974	6.99	6.19	5.89	6.53	9.33	9.34	8.98	8.57	9.50	8.78	8.98	9.27	8.23	4.47	11.60
1975	6.98	7.05	6.42	7.62	9.40	9.41	9.46	8.83	10.39	9.25	9.39	9.88	8.38	4.31	....
1975 Feb.	6.61	6.40	5.96	7.03	8.97	9.09	9.33	8.62	10.43	9.01	9.32	9.83	8.07	4.61	....
Mar.	6.73	6.70	6.28	7.25	9.35	9.38	9.28	8.67	10.29	9.05	9.25	9.67	8.04	4.42	10.10
Apr.	7.03	6.95	6.46	7.43	9.67	9.65	9.49	8.95	10.34	9.30	9.39	9.88	8.27	4.34	....
May	6.99	6.95	6.42	7.48	9.63	9.65	9.55	8.90	10.46	9.37	9.49	9.93	8.51	4.08	....
June	6.86	6.96	6.28	7.48	9.25	9.32	9.45	8.77	10.40	9.29	9.40	9.81	8.34	4.02	8.28
July	6.89	7.07	6.39	7.60	9.41	9.42	9.43	8.84	10.33	9.26	9.37	9.81	8.24	4.02	....
Aug.	7.06	7.12	6.40	7.71	9.46	9.49	9.51	8.95	10.35	9.29	9.41	9.93	8.41	4.36	....
Sept.	7.29	7.40	6.70	7.96	9.68	9.57	9.55	8.95	10.38	9.35	9.42	9.98	8.56	4.39	9.06
Oct.	7.29	7.40	6.67	8.01	9.45	9.43	9.51	8.86	10.37	9.32	9.40	9.94	8.58	4.22	....
Nov.	7.21	7.41	6.64	8.08	9.20	9.26	9.44	8.78	10.33	9.27	9.36	9.83	8.50	4.07	....
Dec.	7.17	7.29	6.50	7.96	9.36	9.21	9.45	8.79	10.35	9.26	9.37	9.87	8.57	4.14	....
1976 Jan.	6.94	7.08	6.22	7.81	8.70	8.79	9.33	8.60	10.24	9.16	9.32	9.68	8.16	3.80	....
Feb.	6.92	6.94	6.04	7.76	8.63	8.63	9.23	8.55	10.10	9.12	9.25	9.50	8.00	3.67	....
Week ending—															
1976 - Jan. 3	7.05	7.26	6.45	7.92	....	9.10	9.40	8.66	10.33	9.21	9.36	9.79	8.48	4.08	....
10	6.96	7.12	6.25	7.84	8.88	8.94	9.37	8.63	10.31	9.18	9.34	9.75	8.42	3.91	....
17	6.90	7.10	6.25	7.83	8.64	8.68	9.34	8.60	10.26	9.17	9.33	9.71	8.22	3.78	....
24	6.93	7.02	6.15	7.78	8.62	8.69	9.31	8.58	10.20	9.15	9.32	9.64	7.97	3.74	....
31	6.94	6.90	6.00	7.68	8.66	8.68	9.28	8.57	10.16	9.13	9.30	9.59	8.04	3.75	....
Feb. 7	6.93	6.90	6.00	7.70	8.68	8.62	9.26	8.56	10.14	9.14	9.28	9.52	7.91	3.63	....
14	6.96	6.95	6.05	7.77	....	8.68	9.25	8.57	10.12	9.13	9.27	9.52	7.95	3.67	....
21	6.94	6.96	6.06	7.78	8.64	8.67	9.23	8.56	10.09	9.12	9.23	9.50	7.99	3.71	....
28	6.88	6.96	6.06	7.78	8.58	8.56	9.19	8.51	10.04	9.10	9.20	9.44	8.14	3.65	....
Number of issues²	15	20	5	5	....	....	121	20	30	41	30	40	14	500	500

[1] Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

[2] Number of issues varies over time; figures shown reflect most recent count.

NOTE. Annual yields are averages of weekly, monthly, or quarterly data.

Bonds: Monthly and weekly yields are computed as follows: (1) *U.S. Govt.*, averages of daily figures for bonds maturing or callable in 10 years or more; from Federal Reserve Bank of New York. (2) *State and local govt.*, general obligations only, based on Thurs. figures, from Moody's Investors Service. (3) *Corporate*, rates for "New issue" and "Recently offered" Aaa utility bonds, weekly averages compiled by the Board of Governors of the Federal Reserve System; and rates for seasoned issues, averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures. Earnings/price ratios as of end of period. Preferred stock ratio based on 8 median yields for a sample of noncallable issues—12 industrial and 2 public utility. Common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

NOTE.—Annual data are averages of daily or weekly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: *U.S. Govt. bonds*, derived from average market yields in table on p. A-28 on basis of an assumed 3 per cent, 20-year bond. *Municipal and corporate bonds*, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. *Common stocks*, derived from component common stock prices. *Average daily volume of trading*, presently conducted 5 days per week for 6 hours per day.

Stock Market Customer Financing:

[1] Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (Dec. 1970 BULLETIN, p. 920). Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

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

[4] Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices										Volume of trading in stocks (thousands of shares)	
				New York Stock Exchange									American Stock Exchange total index (Aug. 31, 1973 = 100)		
				Standard and Poor's index (1941–43 = 10)				New York Stock Exchange index (Dec. 31, 1965 = 50)							
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance		NYSE	AMEX
1970	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64	96.63	10,532	3,376
1971	67.73	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	113.40	15,381	4,234
1972	68.71	84.4	65.9	109.20	121.79	44.11	56.90	60.29	65.73	50.17	38.48	78.35	129.10	16,487	4,447
1973	62.80	85.4	63.7	107.43	120.44	38.05	53.47	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,004
1974	57.45	76.3	58.8	82.85	92.91	37.53	38.91	43.84	48.08	31.89	29.82	49.67	79.97	13,883	1,908
1975	57.44	68.9	56.2	85.17	96.15	37.48	41.21	45.73	51.88	30.73	31.45	46.62	83.15	18,568	2,150
1975 Feb.	60.27	74.1	56.6	80.10	89.29	37.80	40.37	42.48	46.00	30.21	31.31	47.59	76.08	22,311	2,545
Mar.	59.33	70.9	56.2	83.78	93.90	38.35	39.55	44.35	48.63	31.62	31.04	47.83	79.15	22,680	2,665
Apr.	57.05	69.5	55.8	84.72	95.27	38.55	38.19	44.91	49.74	31.70	30.01	47.35	82.03	20,334	2,302
May	57.40	69.6	56.6	90.10	101.05	38.92	39.69	47.76	53.22	32.28	31.02	49.97	86.94	21,785	2,521
June	58.33	69.8	56.7	92.40	103.68	38.97	43.65	49.21	54.61	30.79	32.78	52.20	90.57	21,286	2,743
July	58.09	68.5	56.6	92.49	103.84	38.04	43.67	49.54	54.96	32.88	32.98	52.51	93.28	20,076	2,750
Aug.	56.84	68.3	55.6	85.71	96.21	35.13	41.04	45.71	50.71	30.14	31.02	46.55	85.74	13,404	1,476
Sept.	55.23	66.1	55.8	84.62	94.96	34.94	40.53	44.97	50.05	29.46	30.65	43.38	84.26	12,717	1,439
Oct.	55.23	66.1	56.0	88.57	99.29	36.92	42.59	46.87	52.26	30.79	31.87	44.36	83.46	15,893	1,629
Nov.	55.77	66.2	56.3	90.07	100.86	37.81	43.77	47.64	52.91	32.15	32.83	47.48	85.60	16,795	1,613
Dec.	56.03	67.4	56.1	88.74	94.89	37.07	43.25	46.78	63.70	31.61	32.75	43.86	82.50	15,859	1,977
1976—Jan.	57.75	69.7	57.0	96.86	108.45	41.42	46.99	51.31	56.72	35.77	35.23	48.83	91.47	32,794	3,070
Feb.	57.86	68.8	57.1	100.64	113.43	43.40	47.22	53.73	59.79	38.53	36.12	52.06	100.58	31,375	4,765
Week ending—															
1976 Feb. 7	57.81	69.3	57.1	100.76	113.00	42.93	47.94	53.61	59.67	37.44	36.12	51.83	97.43	31,498	3,710
14	57.62	68.7	56.7	100.16	112.39	43.23	47.14	53.45	59.51	38.02	35.84	51.74	98.69	27,556	3,524
21	57.77	68.6	57.1	100.60	112.92	43.71	47.12	53.80	59.81	39.14	36.31	52.06	102.03	34,770	6,431
28	58.17	68.6	57.4	101.03	113.52	43.78	46.67	54.09	60.17	39.63	36.23	52.60	104.44	32,356	5,730

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks [1]										Free credit balances at brokers [4]	
	Regulated [2]									Unregulated [3]		
	By source			By type								
				Margin stock		Convertible bonds		Subscription issues				
	Total	Brokers	Banks	Brokers	Banks	Brokers	Banks	Brokers	Banks	Nonmargin stock credit at banks	Margin accts.	Cash accts.
1975—Jan.	4,934	4,086	848	3,950	806	134	29	2	13	1,919	410	1,450
Feb.	5,099	4,269	830	4,130	783	136	34	3	13	1,897	480	1,610
Mar.	5,164	4,320	844	4,180	800	134	30	6	14	1,882	515	1,770
Apr.	5,327	4,503	824	4,360	781	138	30	5	13	1,885	505	1,790
May	5,666	4,847	819	4,700	779	140	27	7	13	1,883	520	1,705
June	....	5,140	844	4,990	805	146	28	4	11	2,434	520	1,790
July	....	5,446	820	5,300	780	143	29	3	10	2,387	555	1,710
Aug.	....	5,365	832	5,220	791	142	30	3	11	2,457	515	1,500
Sept.	....	5,399	....	5,250	....	145	....	4	....	....	470	1,455
Oct.	....	5,448	....	5,300	....	144	....	4	....	....	545	1,495
Nov.	....	5,519	....	5,370	....	146	....	3	....	....	490	1,470
Dec.	....	5,540	....	5,390	....	147	....	3	....	....	475	1,525
1976—Jan.	....	5,568	....	5,420	....	146	....	2	....	....	655	1,975

For notes see opposite page.

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars)[1]	Equity class (per cent) 80 or more	70–79	60–69	50–59	40–49	Under 40
1975—Jan..	3,950	5.6	7.3	13.5	24.6	28.1	21.2
Feb..	4,130	5.9	7.2	14.6	25.4	28.5	18.4
Mar..	4,180	6.5	8.0	15.3	27.6	25.8	16.9
Apr..	4,360	7.1	8.7	16.1	28.7	23.5	15.9
May.	4,700	7.0	9.1	16.7	31.5	21.0	13.4
June.	4.990	7.4	9.9	18.3	32.7	20.4	11.4
July..	5,300	6.0	8.3	13.9	23.6	30.4	17.9
Aug..	5.220	5.5	6.8	11.3	20.7	31.0	24.7
Sept..	5.250	5.1	7.3	10.6	19.6	31.0	26.5
Oct...	5.300	5.5	6.7	11.2	21.8	29.7	25.2
Nov..	5,370	5.2	6.7	12.2	23.2	28.6	24.0
Dec..	5,390	5.3	6.9	11.6	22.3	28.8	25.0
1976—Jan...	5,420	7.0	8.9	17.0	21.3	28.8	15.5

[1] Note 1 appears at the bottom of p. A-28.

NOTE.—Each customer's equity in his collateral (market value of collateral *less net debit balance) is expressed as a percentage of current collateral values.*

SPECIAL MISCELLANEOUS ACCOUNT BALANCES AT BROKERS, BY EQUITY STATUS OF ACCOUNTS

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status 60 per cent or more	Less than 60 per cent	Total balance (millions of dollars)
1975—Jan.	41.1	39.3	19.8	7,185
Feb.	42.2	40.1	17.8	7,303
Mar.	44.4	40.1	15.5	7,277
Apr.	45.2	41.1	13.7	7,505
May	44.5	43.2	12.3	7,601
June	45.9	43.1	11.0	7,875
July	45.6	41.1	13.1	7,772
Aug.	43.5	40.6	16.0	7,494
Sept.	45.3	38.9	15.8	7,515
Oct.	44.4	40.1	15.5	7,362
Nov.	45.3	40.2	14.5	7,425
Dec.	43.8	40.8	15.4	7,290
1976—Jan.	45.8	44.0	10.4	7,774

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

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans		Securities			Cash	Other assets	Total assets—Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve accounts	Mortgage loan commitments[2] classified by maturity (in months)				
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other[1]							3 or less	3–6	6–9	Over 9	Total
1971	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972[3]	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7.589	1,250	598	405	1,008	3,261
1974	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1974—Dec....	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1975—Jan....	74,957	4,287	2,571	967	22,979	1,706	2,663	110,130	99,211	2,948	7,971	726	400	225	620	1,971
Feb...	75,057	4,658	2,677	1,017	23,402	1,856	2,709	111,376	100,149	3,211	8,016	654	360	217	579	1,810
Mar...	75,127	4,736	2,975	1,095	24,339	2,101	2,672	113,045	102,285	2,712	8,049	824	312	294	564	1,994
Apr....	75,259	4,407	3,419	1,121	24,994	1,841	2,780	113,821	102,902	2,849	8,071	913	335	312	538	2,098
May...	75,440	4,593	3,616	1,137	25,579	2,077	2,811	115,252	104,056	3,080	8,116	955	383	300	573	2,211
June...	75,763	4,492	3,744	1,240	26,470	2,088	2,954	116,751	105,993	2,594	8,164	973	510	195	565	2,243
July...	76,097	4,396	3,965	1,436	26,976	1,835	3,004	117,709	106,533	2,970	8,208	957	463	266	526	2,212
Aug....	76,310	4,405	4,187	1,451	27,104	1,730	3,067	118,254	106,745	3,255	8,254	981	431	237	573	2,222
Sept...	76,429	4,487	4,279	1,495	27,033	1,783	3,136	118,643	107,560	2,778	8,304	1,011	372	256	499	2,138
Oct....	76,655	4,481	4,368	1,523	27,106	1,805	3,152	119,089	107,812	2,950	8,328	950	368	275	394	1,987
Nov.	76,855	4,550	4,601	1,551	27,421	1,872	3,223	120,073	108,480	3,215	8,378	972	323	222	379	1,896
Dec....	77.127	4,028	4,777	1,541	27,964	2,367	3,195	120,999	109,796	2,770	8,433	896	301	203	403	1,803

[1] Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

[2] Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans.

[3] Balance sheet data beginning 1972 are reported on a gross-of-valuation-reserves basis. The data differ somewhat from balance sheet data previously reported by National Assn. of Mutual Savings Bank, which were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMSB data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mort-gages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign[1]	Total	Bonds	Stocks				
1971	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1974	263,817	11,890	4,396	3,653	3,841	119,580	97,430	22,150	86,258	8,249	22,899	14,941
1974—Dec.	263,349	11,965	4,437	3,667	3,861	118,572	96,652	21,920	86,234	8,331	22,862	15,385
1975 Jan.	266,823	12,065	4,461	3,669	3,935	121,986	98,876	23,110	86,526	8,313	23,058	14,875
Feb.	269,715	12,161	4,512	3,686	3,960	124,158	99,571	24,587	86,929	8,402	23,224	14,841
Mar.	272,143	12,338	4,581	3,712	4,045	125,512	100,116	25,399	87,187	8,582	23,391	15,133
Apr.	273,523	12,374	4,608	3,719	4,047	126,256	99,725	26,531	87,638	8,782	23,459	15,014
May	275,816	12,464	4,678	3,739	4,047	127,847	100,478	27,369	87,882	8,843	23,570	15,210
June	278,343	12,560	4,738	3,762	4,060	129,838	101,238	28,600	88,035	8,989	23,675	15,246
July	279,354	12,814	4,843	3,902	4,069	130,298	102,675	27,623	88,162	9,058	23,794	15,228
Aug.	280,482	13,022	4,895	4,039	4,088	130,659	103,496	27,163	88,327	9,112	23,919	15,443
Sept.	281,847	13,150	4,914	4,122	4,114	131,524	104,529	26,995	88,445	9,210	24,048	15,470
Oct.	284,829	13,793	5,505	4,148	4,140	133,237	105,473	27,764	88,655	9,356	24,171	15,617
Nov.	286,975	14,129	5,762	4,210	4,157	134,495	106,385	28,110	88,850	9,464	24,271	15,766
Dec.[p]	289,084	14,582	5,894	4,440	4,248	135,014	106,755	28,259	89,358	9,634	24,389	16,107

[1] Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE.—Institute of Life Insurance estimates for all life insurance companies in the United States.

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."

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets Total liabilities	Liabilities					Mortgage loan commitments outstanding at end of period[4]
	Mort-gages	Invest-ment secur-ities[1]	Cash	Other		Savings capital	Net worth[2]	Bor-rowed money[3]	Loans in process	Other	
1971	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973[5]	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1974[r]	249,293	23,240		22,991	295,524	242,959	18,436	24,780	3,244	6,105	7,454
1975[p]	278,693	30,900		28,802	338,395	286,042	19,776	20,730	5,187	6,659	10,675
1975—Jan.	249,719	25,390		23,252	298,361	246,227	18,586	23,355	3,057	7,136	7,887
Feb.	250,828	27,003		23,669	301,500	249,524	18,816	21,895	3,049	8,216	8,787
Mar.	252,442	28,304		24,210	304,956	256,017	18,654	20,373	3,275	6,637	10,050
Apr.	254,727	29,047		24,868	308,642	258,875	18,882	19,845	3,608	7,432	11,653
May	257,911	30,648		25,520	314,079	262,770	19,128	19,317	4,105	8,759	12,557
June	261,336	30,880		25,786	318,003	268,978	18,992	18,881	4,446	6,706	12,363
July	264,458	32,054		26,311	322,823	272,032	19,266	18,765	4,771	7,989	12,611
Aug.	267,717	31,694		27,127	326,538	273,504	19,495	19,237	4,995	9,307	12,673
Sept.	270,600	30,786		27,745	329,131	277,201	19,414	20,052	5,128	7,336	12,585
Oct.	273,596	31,652		28,145	333,393	279,465	19,663	20,327	5,207	8,731	11,748
Nov.	275,919	32,498		28,610	337,027	281,711	19,919	20,434	5,164	9,799	11,365
Dec.	278,693	30,900		28,802	338,395	286,042	19,776	20,730	5,187	6,659	10,675
1976 –Jan.[p]	280,071	34,271		29,716	344,058	291,418	19,948	19,652	5,051	7,989	11,111

[1] Excludes stock of the Federal Home Loan Bank Board. Compensating changes have been made in "Other" assets.

[2] Includes net undistributed income, which is accrued by most, but not all, associations.

[3] Advances from FHLBB and other borrowing.

[4] Data comparable with those shown for mutual savings banks (on opposite page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

[5] Beginning 1973, participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, loans and notes insured by the Farmers Home Administration, and certain other Govt.-insured mortgage-type investments, previously included in mortgage loans, are included in other assets. The effect of this change was to reduce the mortgage total by about $0.6 billion.

Also, GNMA-guaranteed, mortgage-backed securities of the pass-through type, previously included in "Cash" and "Investment securities" are included in "Other" assets. These amounted to about $2.4 billion at the end of 1972.

NOTE.—FHLBB data; figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget			Means of financing								
				Borrowings from the public						Less: Cash and monetary assets		
	Receipts	Outlays	Surplus or deficit (−)	Public debt securities	Agency securities	Less: Investments by Govt. accounts		Less: Special notes¹	Equals: Total	Treasury operating balance	Other	Other means of financing, net²
						Special issues	Other					
Fiscal year:												
1972	208,649	231,876	−23,227	29,131	−1,269	6,796	1,623	....	19,442	1,362	1,108	6,255
1973	232,225	246,526	−14,301	30,881	216	11,712	109	....	19,275	2,459	−1,613	−4,129
1974	264,932	268,392	−3,460	16,918	903	13,673	1,140	....	3,009	−3,417	889	−2,077
1975	280,997	324,601	−43,604	58,953	−1,069	8,112	−1,081	....	50,853	−1,570	r1,890	r6,920
Half year:												
1974—Jan.-June	140,676	r138,030	r2,646	5,162	426	8,297	295	....	r−3,005	−1,215	r1,208	r352
July-Dec.	139,607	153,147	−13,540	18,429	−689	2,840	150	....	14,751	−3,228	557	−3,881
1975—Jan.-June	r141,189	171,202	r−30,013	40,524	−423	5,272	−1,231	....	36,059	r1,657	1,643	−2,746
July-Dec.	139,453	184,545	−45,092	43,460	39	−4,739	−1,186	....	49,347	866	−980	−4,368
Month:												
1975 Jan.¹	24,992	28,979	−3,987	1,475	7	2,173	−42	....	3,697	58	349	580
Feb.	19,975	26,200	−6,225	5,571	306	1,224	−495	....	4,535	−2,359	−132	−801
Mar.	20,134	27,986	7,852	9,949	5	−1,216	79	....	11,249	3,115	285	3
Apr.	31,451	29,601	1,850	7,081	37	10	−451	....	7,485	7,666	1,847	178
May	12,793	28,186	−15,394	11,418	−6	3,296	−440	....	8,556	5,757	−732	349
June	31,817	30,296	1,521	5,030	−55	4,131	276	....	567	−949	56	2,981
July	20,197	31,249	−11,052	5,051	−23	−2,427	−346	....	7,800	3,390	−1,373	1,511
Aug.	23,584	30,634	−7,050	9,472	6	2,384	−94	....	7,189	630	−263	1,032
Sept.	28,615	29,044	429	5,935	9	−2,151	−367	....	8,463	6,961	446	627
Oct.	19,316	32,425	13,109	8,352	5	−3,656	260	....	11,743	−203	−348	815
Nov.	21,745	29,401	−7,656	4,800	−3	−749	−390	....	5,936	−3,844	392	−1,732
Dec.	25,995	31,792	5,797	9,850	−24	1,860	−249	....	8,215	1,971	166	−281
1976 Jan.	25,634	30,725	5,091	7,757	−2	−393	328	....	7,820	3,532	114	918

Selected balances

End of period	Treasury operating balance				Borrowing from the public						Memo: Debt of Govt.-sponsored corps.—Now private⁴
	F.R. Banks	Tax and loan accounts	Other depositaries³	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts		Less: Special notes¹	Equals: Total	
							Special issues	Other			
Fiscal year:											
1971	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	37,086
1972	2,344	7,634	139	10,117	427,260	10,894	89,536	24,023	825	323,770	41,814
1973	4,038	8,433	106	12,576	458,142	11,109	101,248	24,133	825	343,045	51,325
1974	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
1975	5,773	1,475	343	7,591	533,188	10,943	123,033	24,192	(⁵)	396,906	76,092
Calendar year:											
1973	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974	3,113	2,745	70	5,928	492,664	r11,323	117,761	25,423	(⁵)	r360,804	76,459
1975	7,286	1,159	7	8,452	576,649	10,904	118,294	23,006	....	446,253	....
Month:											
1975—Jan.	3,541	2,115	220	5,876	494,139	11,343	115,588	25,380	....	364,514	76,921
Feb.	2,885	410	220	3,515	499,710	11,037	116,812	r24,886	....	369,049	75,964
Mar.	4,271	2,142	220	6,633	509,659	11,042	115,596	24,807	....	380,298	76,392
Apr.	8,364	5,415	521	14,299	516,740	11,004	115,606	24,355	....	387,783	77,124
May	7,040	984	521	8,545	528,158	10,998	118,902	r23,916	....	396,339	75,140
June	5,773	1,475	343	7,591	533,188	10,943	123,033	24,192	....	396,906	76,092
July	2,776	878	444	4,098	538,240	10,920	120,606	23,847	....	404,707	77,173
Aug.	2,349	1,214	−141	3,423	547,711	10,926	122,990	23,752	....	411,895	76,659
Sept.	8,074	2,162	529	10,765	553,647	10,935	120,839	23,385	....	420,358	77,026
Oct.	8,517	1,251	559	10,327	561,999	10,931	117,183	23,645	....	432,102	78,016
Nov.	4,919	1,558	9	6,485	566,799	10,928	116,434	23,255	....	438,037	78,451
Dec.	7,286	1,159	7	8,452	576,649	10,904	118,294	23,006	....	446,253	78,842
1976—Jan.	10,075	1,905	7	11,987	584,405	10,902	117,901	23,333	....	454,072	....

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[1] Represents *non-interest-bearing public debt securities issued to the* International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

[2] Includes accrued interest payable on public debt securities until June 1973 and total accrued interest payable to the public thereafter; deposit funds; miscellaneous liability (includes checks outstanding) and asset accounts; seigniorage; increment on gold; fiscal 1974 conversion of interest receipts of Govt. accounts to an accrual basis; gold holdings, gold certificates and other liabilities, and gold balance beginning Jan. 1974; and net *gain/loss for U.S. currency valuation adjustment beginning June* 1975.

[3] As of Jan. 3, 1972, the Treasury operating balance was redefined to exclude the gold balance and to include previously excluded "Other depositaries" *(deposits in certain commercial depositaries that have been converted* from a time to a demand basis to permit greater flexibility in Treasury cash management).

[4] Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and Federal intermediate credit banks and banks for cooperatives (both beginning Dec. 1968).

[5] Beginning July 1974, public debt securities excludes $825 million of notes issued to International Monetary Fund to conform with Office of Management and Budget's presentation of the budget.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Budget receipts																
	Total	Individual income taxes					Corporation income taxes		Social insurance taxes and contributions					Excise taxes	Customs	Estate and gift	Misc. receipts[4]
									Employment taxes and contribution[2]		Unempl. insur.	Other net receipts[3]	Net total				
		Withheld	Pres. Election Campaign Fund[1]	Nonwithheld	Refunds	Net total	Gross receipts	Refunds	Payroll taxes	Self-empl.							
Fiscal year:																	
1972	208,649	83,200	......	25,679	14,143	94,737	34,926	2,760	44,088	2,032	4,357	3,437	53,914	15,477	3,287	5,436	3,633
1973	232,225	98,093	......	27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921
1974	264,932	112,092	28	30,812	23,952	118,952	41,744	3,125	62,878	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,369
1975	280,997	122,071	32	r34,296	34,013	122,386	45,747	5,125	71,789	3,417	6,770	4,466	86,441	16,551	3,676	4,611	6,711
Half year:																	
1974—Jan.-June	140,676	59,100	28	24,605	22,953	60,782	25,155	1,631	32,919	2,807	3,862	2,084	41,671	7,878	1,701	2,521	2,601
July-Dec.	139,607	61,378	......	7,098	1,016	67,461	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,140
1975—Jan.-June	141,190	60,694	......	27,198	32,997	54,926	27,500	3,109	37,371	3,163	3,856	2,279	46,667	7,790	1,718	2,327	3,370
July-Dec.	139,453	59,549	......	7,649	1,362	65,835	18,810	2,735	35,443	268	2,861	2,314	40,886	8,759	1,927	2,573	3,397
Month:																	
1975—Jan.	r24,992	r10,255	1	r5,367	132	r15,489	1,745	557	4,802	223	245	r403	5,673	1,351	307	385	r599
Feb.	19,975	10,964	7	1,046	4,264	7,747	1,275	496	7,670	225	732	352	8,979	1,277	260	399	535
Mar.	20,134	9,624	8	2,661	8,152	4,134	7,228	649	6,268	208	21	373	6,870	1,160	295	356	741
Apr.	31,451	9,558	15	12,766	6,258	16,065	5,819	726	5,438	1,743	557	388	8,126	1,166	286	317	399
May	12,793	10,300	......	819	12,749	−1,630	1,192	18	7,689	340	2,209	350	10,588	1,373	270	459	559
June	31,817	10,027	......	4,541	1,444	13,123	10,241	664	5,552	373	92	413	6,431	1,464	301	412	508
July	20,197	9,205	......	908	498	9,615	1,838	471	5,309	......	444	374	6,128	1,514	313	503	r757
Aug.	23,584	10,246	......	488	331	10,403	1,045	425	8,085	......	1,257	372	9,713	1,394	302	430	r723
Sept.	28,615	9,182	......	4,809	382	13,609	6,277	264	5,555	251	75	400	6,280	1,430	312	431	539
Oct.	19,316	9,983	......	589	81	10,653	1,694	821	4,551	......	259	395	5,206	1,462	343	396	382
Nov.	21,745	10,195	......	283	124	10,354	1,072	399	6,900	......	716	377	7,994	1,476	310	428	511
Dec.	25,995	10,738	......	571	109	11,200	6,884	354	5,043	17	110	395	5,565	1,482	347	386	485
1976—Jan.	25,634	9,518	1	5,843	86	15,276	1,771	218	5,540	225	223	442	6,430	1,335	348	401	292

Period	Budget outlays														
	Total	National defense	Intl. affairs	General science, space, and tech.	Agriculture	Natural resources, envir., and energy	Commerce and transp.	Commun. and region. development	Education, training, employment, and social serv.	Health and welfare	Veterans	Interest	General Govt., law enforce., and justice	Revenue shar. and fiscal assistance	Undistrib. off-setting receipts[5]
Fiscal year:															
1973	246,526	75,072	2,956	4,030	4,855	5,947	9,930	5,529	11,874	91,790	12,013	22,813	4,813	[6]7,222	−12,318
1974	268,392	78,569	3,593	3,977	2,230	6,571	13,096	4,911	11,598	106,505	13,386	28,072	5,789	6,746	r−16,651
1975	324,601	86,585	4,358	3,989	1,660	9,537	16,010	4,431	15,248	136,252	16,597	30,974	6,031	7,005	−14,075
1976[7]	373,535	92,759	5,665	4,311	2,875	11,796	17,801	5,802	18,900	160,646	19,035	34,835	6,949	7,169	15,208
TQ[7,8]	97,971	25,028	1,334	1,157	742	3,289	4,819	1,529	4,403	41,033	4,362	9,769	1,875	2,046	−3,589
1977[7]	394,237	101,129	6,824	4,507	1,729	13,772	16,498	5,532	16,615	171,508	17,196	41,297	6,859	7,351	−18,840
Month:															
1975—Jan.	28,979	7,269	357	371	545	657	1,592	379	1,478	11,673	1,397	2,536	502	1,566	−1,342
Feb.	26,200	7,528	382	350	156	468	666	199	1,024	11,174	1,993	2,618	467	....	−826
Mar.	27,986	7,435	503	379	347	723	1,415	19	1,209	12,154	1,811	2,656	568	3	−1,236
Apr.	29,601	7,555	109	368	275	611	1,088	309	1,838	12,379	1,466	2,716	416	1,524	−1,053
May	28,186	8,000	408	384	42	679	995	383	1,647	11,968	1,468	2,607	479	....	−873
June	30,296	7,854	557	256	179	788	1,289	453	1,684	14,158	1,412	2,521	759	−14	−1,601
July	31,249	7,307	531	476	270	821	2,256	402	1,237	13,092	1,367	2,637	321	1,625	−1,094
Aug.	30,634	8,229	448	402	117	770	2,165	568	1,690	12,431	1,447	2,672	553	213	−1,071
Sept.	29,044	6,923	47	398	507	844	1,899	440	1,571	12,738	1,334	2,859	548	4	−1,068
Oct.	32,425	8,192	362	398	312	740	1,965	462	896	13,575	1,518	2,957	492	1,592	−1,035
Nov.	29,401	7,533	419	405	196	786	1,203	315	1,653	12,612	1,624	2,996	531	15	−887
Dec.	31,792	7,981	290	409	175	814	1,994	433	1,515	13,721	1,704	2,820	1,154	1	−1,221
1976—Jan.	30,725	6,915	351	336	228	718	1,819	421	1,478	13,714	1,626	2,813	121	1,627	−1,441

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[1] Collections of these receipts, totaling $2,427 million for fiscal year 1973, were included as part of nonwithheld income taxes prior to Feb. 1974.

[2] Old-age, disability, and hospital insurance, and Railroad Retirement accounts.

[3] Supplementary medical insurance premiums and Federal employee retirement contributions.

[4] Deposits of earnings by F. R. Banks and other miscellaneous receipts.

[5] Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and Govt. contributions for employee retirement.

[6] Contains retroactive payments of $2,617 million for fiscal 1972.

[7] Estimates presented in *Budget of the U.S. Government, Fiscal Year 1977*. Figures for outlay categories exclude special allowances for contingencies and civilian agency pay raises totaling $200 million for fiscal year 1976, $175 million for the **transition quarter** (TQ), and $2,260 million for fiscal year 1977, and therefore do not add to totals.

[8] Effective in calendar year 1976, the fiscal year for the U.S. Govt. is being changed from July 1–June 30 to Oct. 1–Sept. 30. The period July 1–Sept. 30 of 1976, data for which are shown separately from fiscal year 1976 and fiscal year 1977 totals, will be a transition quarter.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt [1]	Public issues (interest-bearing)										Special issues [5]
			Marketable					Convertible bonds	Nonmarketable			
		Total	Total	Bills	Certificates	Notes	Bonds [2]		Total [3]	Foreign issues [4]	Savings bonds and notes	
1968—Dec.	358.0	296.0	236.8	75.0	....	76.5	85.3	2.5	56.7	4.3	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6	....	85.4	69.9	2.4	56.9	3.8	52.2	71.0
1970—Dec.	389.2	309.1	247.7	87.9	....	101.2	58.6	2.4	59.1	5.7	52.5	78.1
1971- Dec.	424.1	336.7	262.0	97.5	....	114.0	50.6	2.3	72.3	16.8	54.9	85.7
1972—Dec.	449.3	351.4	269.5	103.9	....	121.5	44.1	2.3	79.5	20.6	58.1	95.9
1973—Dec.	469.9	360.7	270.2	107.8	....	124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—Dec.	492.7	373.4	282.9	119.7	....	129.8	33.4	2.3	88.2	22.8	63.8	118.2
1975—Feb.	499.7	381.5	289.8	123.0	....	132.7	34.1	2.3	89.4	23.3	64.5	117.2
Mar.	509.7	392.6	300.0	124.0	....	141.9	34.1	2.3	90.4	24.0	64.8	116.0
Apr.	516.7	399.8	307.2	127.0	....	145.0	35.3	2.3	90.3	23.6	65.2	116.0
May	528.2	407.8	314.9	131.5	....	146.5	36.8	2.3	90.6	23.5	65.5	119.2
June	533.2	408.8	315.6	128.6	....	150.3	36.8	2.3	90.9	23.2	65.9	123.3
July	538.2	416.3	323.7	133.4	....	153.6	36.7	2.3	90.4	22.2	66.3	120.9
Aug.	547.7	423.5	331.1	138.1	....	155.2	37.8	2.3	90.1	21.6	66.6	123.3
Sept.	553.6	431.5	338.9	142.8	....	158.5	37.7	2.3	90.3	21.5	66.9	121.1
Oct.	562.0	443.6	350.9	147.1	....	166.3	37.6	2.3	90.5	21.2	67.2	117.4
Nov.	566.8	447.5	355.9	151.1	....	166.1	36.7	2.3	89.3	21.3	67.6	116.7
Dec.	576.6	457.1	363.2	157.5	....	167.1	38.6	2.3	91.7	21.6	67.9	118.5
1976—Jan.	584.4	463.8	369.3	159.6	....	171.1	38.6	2.3	92.2	21.6	68.2	118.1
Feb.	593.9	473.7	378.8	162.1	....	177.6	39.1	2.3	92.7	21.7	68.6	119.2

[1] Includes non-interest-bearing debt (of which $614 million on Feb. 29, 1976, was not subject to statutory debt limitation).

[2] Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

[3] Includes (not shown separately): depositary bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local government bonds, and Treasury deposit funds.

[4] Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

[5] Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on *Monthly Statement of the Public Debt of the United States*, published by U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Commercial banks	Mutual savings banks	Insurance companies	Other corporations	State and local govts.	Individuals		Foreign and international [1]	Other misc. investors [2]
										Savings bonds	Other securities		
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969—Dec.	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970—Dec.	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971—Dec.	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972—Dec.	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	55.3	17.0
1973—Dec.	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974—Dec.	492.7	141.2	80.5	271.0	55.6	2.5	6.1	11.0	29.2	63.4	21.5	58.4	23.2
1975—Jan.	494.1	139.0	81.3	273.8	54.6	2.6	6.2	11.3	30.0	63.7	21.6	61.5	22.3
Feb.	499.7	139.8	81.1	278.9	56.5	2.7	6.2	11.4	30.5	64.0	21.3	64.6	21.6
Mar.	509.7	138.5	81.4	289.8	61.8	2.9	6.6	12.0	29.7	64.4	21.4	65.0	26.1
Apr.	516.7	138.0	87.8	290.9	64.1	3.2	6.7	12.5	29.8	64.7	21.4	64.9	23.6
May	528.2	140.9	85.6	301.7	67.7	3.4	6.9	13.7	29.8	65.1	21.5	66.8	26.8
June	533.2	145.3	84.7	303.2	69.2	3.5	7.1	13.2	29.6	65.5	21.6	66.0	27.4
July	538.2	142.5	81.9	313.8	71.4	3.7	7.3	16.2	31.3	65.9	21.8	66.7	29.5
Aug.	547.2	144.8	82.5	320.4	75.4	3.9	7.4	16.0	31.2	66.2	22.6	67.3	30.5
Sept.	553.6	142.3	87.0	324.4	78.4	4.0	7.6	15.0	32.2	66.5	23.0	65.5	32.3
Oct.	562.0	138.8	87.2	336.0	80.5	4.2	7.9	17.5	33.8	66.8	23.2	66.9	35.2
Nov.	566.8	137.7	85.1	343.9	82.6	4.4	8.8	20.0	33.9	67.1	23.5	66.1	37.5
Dec.[p]	576.2	137.4	87.9	350.9	85.8	4.5	9.3	20.2	33.8	67.3	23.7	66.5	38.3

[1] Consists of investments of foreign and international accounts in the United States.

[2] Consists of savings and loan assns., nonprofit institutions, corporate pensions trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts. Beginning in July 1974, total gross public debt includes Federal Financing Bank bills and excludes notes issued to the IMF ($825 million).

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1–5 years	5–10 years	10–20 years	Over 20 years
		Total	Bills	Other				
All holders:								
1972—Dec. 31	269,509	130,422	103,870	26,552	88,564	29,143	15,301	6,079
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Dec. 31	282,891	148,086	119,747	28,339	85,311	27,897	14,833	6,764
1975—Nov. 30	355,879	192,797	151,139	41,658	111,795	26,439	14,302	10,546
Dec. 31	366,191	199,692	157,483	42,209	112,270	26,436	14,264	10,530
U.S. Govt. agencies and trust funds:								
1972—Dec. 31	19,360	1,609	674	935	6,418	5,487	4,317	1,530
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Dec. 31	21,391	2,400	588	1,812	7,823	4,721	4,670	1,777
1975—Nov. 30	19,582	2,866	237	2,629	7,095	3,320	4,233	2,068
Dec. 31	19,347	2,769	207	2,562	7,058	3,283	4,233	2,053
Federal Reserve Banks:								
1972—Dec. 31	69,906	37,750	29,745	8,005	24,497	6,109	1,414	136
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Dec. 31	80,501	45,388	36,990	8,399	23,282	9,664	1,453	713
1975—Nov. 30	85,137	44,596	35,924	8,672	30,183	6,348	1,479	2,532
Dec. 31	87,934	46,845	38,018	8,827	30,518	6,463	1,507	2,601
Held by private investors:								
1972—Dec. 31	180,243	91,063	73,451	17,612	57,649	17,547	9,570	4,413
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Dec. 31	180,999	100,298	82,168	18,130	54,206	13,512	8,710	4,274
1975—Nov. 30	251,160	145,335	114,978	30,357	74,517	16,771	8,590	5,946
Dec. 31	255,860	150,078	119,258	30,820	74,694	16,690	8,524	5,876
Commercial banks:								
1972—Dec. 31	52,440	18,077	10,289	7,788	27,765	5,654	864	80
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Dec. 31	42,755	14,873	6,952	7,921	22,717	4,151	733	280
1975—Nov. 30	63,309	27,778	15,335	12,443	30,245	4,368	599	318
Dec. 31	64,398	29,875	17,481	12,394	29,629	4,071	552	271
Mutual savings banks:								
1972—Dec. 31	2,609	590	309	281	1,152	469	274	124
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Dec. 31	1,477	399	207	192	614	174	202	88
1975—Nov. 30	3,183	876	458	418	1,499	451	234	124
Dec. 31	3,300	983	554	429	1,524	448	232	112
Insurance companies:								
1972—Dec. 31	5,220	799	448	351	1,190	976	1,593	661
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Dec. 31	4,741	722	414	308	1,061	1,310	1,297	351
1975—Nov. 30	7,105	1,827	1,317	510	2,235	1,487	1,155	401
Dec. 31	7,565	2,024	1,513	511	2,359	1,592	1,154	436
Nonfinancial corporations:								
1972—Dec. 31	4,948	3,604	1,198	2,406	1,198	121	25	1
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Dec. 31	4,246	2,623	1,859	764	1,423	115	26	59
1975—Nov. 30	9,258	7,090	5,866	1,224	1,854	188	84	41
Dec. 31	9,365	7,105	5,829	1,276	1,967	175	61	57
Savings and loan associations:								
1972—Dec. 31	2,873	820	498	322	1,140	605	226	81
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—Dec. 31	1,663	350	87	263	835	282	173	23
1975 Nov. 30	2,874	938	552	386	1,554	263	96	23
Dec. 31	2,793	914	518	396	1,558	216	82	22
State and local governments:								
1972—Dec. 31	10,904	6,159	5,203	956	2,033	816	1,298	598
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Dec. 31	7,864	4,121	3,319	802	1,796	815	800	332
1975—Nov. 30	9,381	5,459	4,686	773	1,807	736	817	561
Dec. 31	9,285	5,288	4,566	722	1,761	782	896	558
All others:								
1972—Dec. 31	101,249	61,014	55,506	5,508	23,171	8,906	5,290	2,868
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Dec. 31	118,253	77,210	69,330	7,880	25,760	6,664	5,479	3,141
1975 Nov. 30	156,049	101,367	86,765	14,602	35,323	9,278	5,604	4,477
Dec. 31	159,154	103,889	88,797	15,092	35,894	9,405	5,546	4,420

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting: (1) 5,547 commercial banks, 471 mutual savings banks, and 729 insurance companies combined, each about 90 per cent; (2) 459 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 501 State and local govts., about 40 per cent.

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

DAILY-AVERAGE DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Commercial banks	All other[1]	
1975—Jan.	5,415	3,495	1,514	303	104	887	1,549	1,503	1,478	1,244
Feb.	5,770	3,353	1,521	711	185	698	2,044	1,511	1,518	1,233
Mar.	4,467	2,812	994	464	197	671	1,183	1,198	1,415	929
Apr.	5,197	3,682	1,096	285	134	704	1,450	1,242	1,801	904
May	6,419	4,181	1,615	466	158	981	1,917	1,454	2,067	1,049
June	5,732	3,745	1,484	372	132	801	1,689	1,336	1,906	1,217
July	4,675	3,301	1,131	172	71	669	1,294	1,100	1,613	778
Aug.	5.183	3.375	1,340	333	134	742	1,405	1.185	1,851	845
Sept.	5,566	4,032	1,315	128	91	931	1,405	1,198	2,033	787
Oct.	8,714	5,929	2,332	309	144	1,271	2,675	1,839	2,929	1,250
Nov.	7,594	5,519	1,353	534	189	1,070	2,176	1,875	2,474	1,217
Dec.	r7,586	r5,919	1,270	278	120	1,190	2,217	1,977	2,202	1,059
1976 Jan.	9,509	7,050	1.765	569	126	1,266	3,119	2,192	2.932	1.417
Week ending—										
1976- Jan. 7	10,345	8,034	1.918	263	130	1.285	3,745	2,463	2,853	1,268
14	10,889	8,250	1.988	r519	132	1.512	3,626	2.542	3.209	r1,880
21	r9,135	r6,271	1.953	776	136	1,081	2.981	2,097	r2,976	r1.575
28	7,919	5.794	1.426	605	95	r1,190	r2,347	1.674	r2,708	1,048
Feb. 4	7.988	6,066	1,046	764	112	928	2,425	1.945	2.690	853
11	8,986	6,074	1,708	1,061	143	976	2,776	2,195	3,039	1.084
18	7,852	5,788	1,236	675	153	948	1,869	2,423	2,613	1,282
25	8.896	6,195	1,947	544	209	1,085	2,444	2,420	2,946	1.177

[1] Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York. They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	5-10 years	Over 10 years	
1975—Jan.	4,634	2,689	1,236	600	113	1,578
Feb.	5,588	3,658	1,180	536	213	1,469
Mar.	5,737	3,435	1,486	618	198	1,444
Apr.	4,453	3,123	1,036	218	77	937
May	6,332	4,917	1,094	248	73	896
June	6,768	5,923	748	100	−3	790
July	5,736	4,978	775	47	−64	626
Aug.	5.501	4,491	609	262	138	610
Sept.	5,718	5,214	410	56	39	529
Oct.	7,322	6,019	1,091	111	102	498
Nov.	6,752	5,011	640	594	506	953
Dec.	6,061	5.274	322	218	247	984
1976—Jan.	6,305	5,287	449	398	170	695
Week ending—						
1975—Dec. 3	6,181	5,225	372	320	263	1,060
10	5,689	5,101	94	231	264	912
17	6,700	6.256	71	134	240	842
24	5,964	4,992	521	212	240	1,049
31	5,785	4,635	666	245	239	1,125
1976—Jan. 7	5,969	5,032	461	257	220	792
14	7,551	6,541	440	367	202	720
21	6,629	5,172	643	643	171	724
28	5,372	4,562	350	340	120	600

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.

Average of daily figures based on number of trading days in the period.

DAILY-AVERAGE DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corporations[1]	All other
		New York City	Elsewhere		
1975—Jan.	6,185	1,455	1,277	864	2,590
Feb.	6,295	1,672	1,077	714	2,832
Mar.	6,881	1,879	1,650	838	2,513
Apr.	5,696	1,655	1,326	583	2,132
May	6,656	1,684	1,567	452	2,953
June	7,682	1,955	1,979	737	3,012
July	6,594	1,365	1,435	929	2,865
Aug.	6.167	1,009	1.148	1,120	2,890
Sept.	6,576	1,160	1,640	972	2,804
Oct.	6,940	1,658	1,792	817	2,673
Nov.	7,215	1,958	1.393	991	2,873
Dec.	7.107	2,001	1.304	1,086	2,716
1976—Jan.	6,766	1,757	1,337	1,147	2,526
Week ending—					
1975—Dec. 3	7,824	2,462	1,380	982	3,001
10	7,163	1,976	1,277	1,161	2,749
17	7,931	2,148	1,707	1,226	2,851
24	6,695	1,986	1,113	1,091	2,506
31	r6.422	1,802	1,073	954	2,594
1976—Jan. 7	6,541	1,514	1,313	1,138	2,576
14	7,275	2,165	1,573	1,375	2,163
21	7,266	1,881	1,762	1,172	2,451
28	5,707	1,466	769	984	2,488

[1] All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital										
	Advances to members	Investments	Cash and deposits	Bonds and notes	Member deposits	Capital Stock	Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Bonds (L)	Loans and discounts (A)	Bonds (L)	Mortgage loans (A)	Bonds (L)
1970	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974—Dec.	21,804	3,094	144	21,878	2,484	2,624	29,709	28,201	3,575	3,561	8,848	8,400	13,643	12,427
1975—Jan.	20,728	4,467	113	21,778	2,612	2,699	29,797	28,030	3,910	3,653	8,888	8,419	14,086	13,020
Feb.	19,460	4,838	99	20,822	2,819	2,698	29,846	27,730	3,821	3,592	9,031	8,484	14,326	13,021
Mar.	18,164	6,415	154	20,754	3,025	2,677	29,870	28,420	3,741	3,439	9,303	8,703	14,641	13,021
Apr.	17,528	6,836	98	20,738	2,651	2.660	29,931	28,257	3,650	3,329	9,520	9,061	14.917	13,571
May.	17,145	5,745	98	19,463	2,708	2,656	29,977	27,714	3,499	2,982	9,763	9,231	15,180	13,571
June.	16,803	6,259	134	19,396	2,831	2,653	30,136	28,237	3,371	2,948	10,031	9,357	15,437	13,961
July.	16,685	6,174	119	19,446	2,436	2,656	30,453	28,419	3,520	2,914	10,163	9,556	15,654	14,351
Aug.	16,945	4,680	89	18,736	2,281	2,660	30,881	28,718	3,738	3,004	10,176	9,715	15,851	14,351
Sept.	17,482	4,247	114	18,720	2,275	2,679	31,157	28,933	3,847	3,109	10,100	9,657	16,044	14,351
Oct.	17.578	4,368	70	18,766	2,291	2,685	31,466	29,373	4,087	3,453	9,933	9,505	16,247	14,774
Nov.	17,606	4,439	87	18,874	2,527	2,690	31,647	29,319 r	4,041	3,664	8,784	9,319	16,380	14,774
Dec.	17,845	4,376	109 r	18,863 r	2,701	2,705	31,916	29,963	3,979	3,643	9,947	9,211	16,564	14,773
1976—Jan.	17,106	5,549	97	18,850	2,971	2.802	31.866	29,809	4,356	3,793	9,944	9,201	16,746	15,243

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly offered securities (excluding, for FHLB's, bonds held within the FHLB System) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table on preceding page. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)								Total amount delivered[3]	Issues for new capital						
	Total	Type of issue				Type of issuer				Total	Use of proceeds					
		General obligations	Revenue	HAA[1]	U.S. Govt. loans	State	Special district and stat. auth.	Other[2]			Education	Roads and bridges	Utilities[4]	Housing[5]	Veterans' aid	Other purposes
1971	24,963	15,220	8,681	1,000	62	5,999	8,714	10,246	....	24,495	5,278	2,642	5,214	2,068	......	9,293
1972	23,653	13,305	9,332	959	57	4,991	9,496	9,165	....	19,959	4,981	1,689	4,638	1,910	......	6,741
1973	23,969	12,257	10,632	1,022	58	4,212	9,505	10,249	....	22,397	4,311	1,458	5,654	2,639	......	8,335
1974	24,315	13,563	10,212	461	79	4,784	8,638	10,817	....	23,508	4,730	768	5,634	1,064	......	11,312
1975	30,607	16,020	14,511	....	76	7,438	12,441	10,660	....	29,495	4,689	1,277	7,209	647	......	15,673
1975—Jan.	2,367	1,364	997	....	6	372	702	1,293	....	2,332	710	49	644	172	......	757
Feb.	2,392	1,723	664	....	5	877	629	880	....	2,353	478	209	425	105	......	1,136
Mar.	2,137	1,284	851	....	2	376	717	1,048	....	2,083	471	94	474	35	......	1,009
Apr.	2,413	1,501	905	....	7	368	880	1,161	....	2,316	405	61	734	38	......	1,078
May	2,905	1,885	1,015	....	5	811	1,197	889	....	2,784	419	211	559	25	......	1,570
June	3,066	1,772	1,292	....	2	938	1,137	989	....	2,840	430	164	821	28	......	1,397
July	3,586	1,371	2,209	....	6	1,577	1,063	941	....	3,554	400	123	879	37	......	2,115
Aug.	2,786	1,058	1,725	....	3	376	1,665	747	....	2,561	379	55	626	67	......	1,434
Sept.	2,171	907	1,252	....	12	357	1,185	614	....	2,123	279	134	447	48	......	1,215
Oct.	2,337	1,120	1,203	....	14	482	979	855	....	2,241	212	60	487	44	......	1,438
Nov.	2,385	1,040	1,341	....	4	470	1,244	667	....	2,318	219	88	618	28	......	1,365
Dec.	2,062	995	1,057	....	10	434	1,043	576	....	1,990	287	29	495	20	......	1,159
1976—Jan.	2,249	1,064	1,174	....	11	639	1,014	588	....	2,188	416	95	559	88	......	1,030

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[1] Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

[2] Municipalities, counties, townships, school districts.

[3] Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

[4] Water, sewer, and other utilities.

[5] Includes urban redevelopment loans.

NOTE.—Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.

Components may not add to totals due to rounding.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues[1]										
		Noncorporate				Corporate					
	Total	U.S. Govt.[2]	U.S. Govt. agency[3]	State and local (U.S.)[4]	Other[5]	Total	Bonds			Stock	
							Total	Publicly offered	Privately placed	Preferred	Common
1971	105,233	17,235	16,283	24,370	2,165	44,914	31,999	24,790	7,209	3,679	9,236
1972	96,522	17,080	12,825	23,070	1,589	40,787	27,727	18,347	9,378	3,373	9,689
1973	100,417	19,057	23,883	22,700	1,385	33,391	22,268	13,649	8,620	3,372	7,750
1974	....	....	....	....	....	37,837	31,551	25,337	6,214	2,253	4,033
1974—Nov.	....	....	....	....	....	3,746	3,346	3,016	330	93	307
Dec.	....	....	....	....	....	3,505	3,052	2,172	880	152	301
1975—Jan.[r]	....	....	....	....	....	5,365	4,792	3,657	1,135	235	338
Feb.[r]	....	....	....	....	....	4,528	3,906	3,201	705	173	449
Mar.[r]	....	....	....	....	....	5,378	4,481	3,971	510	253	644
Apr.[r]	....	....	....	....	....	4,294	3,194	2,771	423	349	751
May[r]	....	....	....	....	....	5,798	4,298	3,796	502	346	1,154
June[r]	....	....	....	....	....	5,618	4,613	3,943	670	230	775
July[r]	....	....	....	....	....	4,390	3,733	2,658	1,075	198	459
Aug.[r]	....	....	....	....	....	2,396	1,833	1,356	477	129	434
Sept.[r]	....	....	....	....	....	2,838	2,002	1,414	588	308	528
Oct.[r]	....	....	....	....	....	4,619	3,072	2,389	683	332	1,215
Nov.	....	....	....	....	....	3,965	3,182	1,666	1,516	440	343

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1971	9,551	2,102	2,158	2,370	2,006	434	7,576	4,201	4,222	1,596	6,484	2,204
1972	4,796	1,812	2,669	2,878	1,767	187	6,398	4,967	3,680	1,127	8,415	2,096
1973	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1974	9,890	543	1,851	956	983	22	8,872	3,964	3,710	222	6,241	587
1974—Nov.	1,697	2	116	100	336	....	739	225	62	31	397	44
Dec.	1,456	196	180	23	14	....	435	194	150	25	817	15
1975—Jan.[r]	1,901	3	179	58	84	....	764	507	933	5	931	....
Feb.[r]	1,631	44	65	60	75	....	1,471	486	126	1	539	32
Mar.[r]	2,368	111	271	74	83	....	828	679	317	....	614	34
Apr.[r]	1,498	233	294	211	97	....	794	586	354	61	156	9
May[r]	2,266	384	242	141	415	1	845	704	153	260	379	10
June[r]	2,195	123	384	194	231	....	838	640	362	....	603	47
July[r]	1,116	64	229	231	338	....	715	324	254	16	1,081	22
Aug.[r]	607	101	141	70	17	....	719	305	93	19	255	68
Sept.[r]	591	106	57	37	151	....	720	541	249	48	234	105
Oct.[r]	759	142	325	152	626	....	562	676	373	555	427	23
Nov.	873	229	53	68	1,000	....	848	420	40	10	368	57

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[1] Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

[2] Includes guaranteed issues.

[3] Issues not guaranteed.

[4] See NOTE to table at bottom of preceding page.

[5] Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers[1]								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1971	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13.452
1972	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13.018
1973	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9.064
1974	39,334	9,935	29,399	31,554	6,255	25,098	7,980	3,678	4.302
1974—III	8,452	2,985	5,467	6,611	1,225	5,386	1,841	1,759	82
IV	12,272	2,871	9,401	10,086	2,004	8,082	2,186	866	1,319
1975- I	15,211	2,088	13,123	12,759	1,587	11,172	2,452	501	1,951
II	15,602	3,211	12,390	11,460	2,336	9,124	4,142	875	3,266
III	9,079	2,576	6,503	6,654	2,111	4,543	2,425	465	1,960

Period	Type of issues											
	Manufacturing		Commercial and other[2]		Transportation[3]		Public utility		Communication		Real estate and financial[1]	
	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks
1971	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1972	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973	801	658	-109	1,411	1,044	-93	4,265	4,509	3,165	1,399	3,523	1,181
1974	7,404	17	1,116	-135	341	-20	7,308	3,834	3,499	398	5,428	207
1974—III	1,479	-421	189	-664	49	-6	1,358	862	1,116	222	1,194	88
IV	3,098	126	240	-47	342	9	2,079	1,107	628	107	1,695	17
1975- I	5,134	262	373	77	1	1	2,653	1,569	1,269	24	1,742	18
II	4,574	500	483	490	429	7	1,977	1,866	810	359	852	43
III	1,442	412	221	108	147	53	1,395	1,043	472	97	866	247

[1] Excludes investment companies.

[2] Extractive and commercial and miscellaneous companies.

[3] Railroad and other transportation companies.

NOTE.—*Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on preceding page, new issues exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.*

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales[2]	Redemptions	Net sales	Total[3]	Cash position[4]	Other
1963	2,460	1,504	952	25,214	1,341	23,873
1964	3,404	1,875	1,528	29,116	1,329	27,787
1965	4,359	1,962	2,395	35,220	1,803	33,417
1966	4,671	2,005	2,665	34,829	2,971	31,858
1967	4,670	2,745	1,927	44,701	2,566	42,135
1968	6,820	3,841	2,979	52,677	3,187	49,490
1969	6,717	3,661	3,056	48,291	3,846	44,445
1970	4,624	2,987	1,637	47,618	3,649	43,969
1971	5,145	4,751	394	55,045	3,038	52,007
1972	4,892	6,563	-1,671	59,831	3,035	56,796
1973	4,358	5,651	-1,261	46,518	4,002	42,516
1974	5,346	3,937	1,409	35,777	5,637	30,140
1975	10,057	9,571	486	42,179	3,748	38,431

Month	Sales and redemption of own shares[1]			Assets (market value at end of period)		
	Sales[2]	Redemptions	Net sales	Total[3]	Cash position[4]	Other
1975—Jan.	1,067	428	639	37,407	3,889	33,518
Feb.	889	470	419	39,330	4,006	35,324
Mar.	847	623	224	40,449	3,870	36,579
Apr.	808	791	17	42,353	3,841	38,512
May.	677	735	-58	43,832	3,879	39,953
June.	703	811	-108	45,538	3,640	41,898
July.	r813	1,052	-239	42,896	3,591	39,305
Aug.	753	788	-35	41,672	3,660	38,012
Sept.	760	874	-114	40,234	3,664	36,570
Oct.	914	995	-81	41,860	3,601	38,259
Nov.	786	911	-125	42,460	3,733	38,727
Dec.	1,040	1,093	-53	42,179	3,748	38,431
1976 Jan.	411	538	-27	46,529	3,263	43,266

[1] Beginning Jan. 1976, sales and redemption figures exclude money market funds.

[2] Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.

[3] Market value at end of period less current liabilities.

[4] Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

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

SALES, REVENUE, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS

(In millions of dollars)

Industry	1972	1973	1974	1973		1974				1975		
				III	IV	I	II	III	IV	I	II r	III
Total (170 corps.):												
Sales	371,946	442,254	563,950	108,370	120,985	126,797	142,974	144,936	149,243	138,245	145,753	147,853
Total revenue	376,604	448,795	572,368	109,984	123,108	128,695	145,125	147,134	151,409	140,343	r147,662	149,687
Profits before taxes	41,164	53,833	67,650	12,411	14,742	16,588	18,191	17,837	15,033	12,873	r14,812	15,425
Profits after taxes	21,753	28,772	32,502	6,762	7,750	7,739	9,280	8,420	7,068	5,538	r6,678	7,048
Memo: PAT unadj.[1]	21,233	28,804	32,705	6,732	7,930	7,626	9,210	8,487	7,383	5,662	6,566	7,031
Dividends	10,538	11,513	12,302	2,767	3,393	2,906	2,928	3,076	3,390	3,129	r3,031	3,089
Nondurable goods industries (86 corps.):[2]												
Sales	176,329	210,118	308,699	53,168	59,207	68,767	77,090	80,425	82,417	77,224	78,537	82,228
Total revenue	178,915	213,904	314,256	54,098	60,357	70,049	78,552	81,905	83,746	78,548	r79,817	83,462
Profits before taxes	21,799	30,200	46,380	7,610	8,988	11,880	11,972	12,595	9,930	9,357	r9,942	10,886
Profits after taxes	11,154	15,538	20,536	4,018	4,463	5,056	5,728	5,464	4,291	3,575	r3,890	4,424
Memo: PAT unadj.[1]	10,859	15,421	20,433	3,957	4,517	4,957	5,677	5,389	4,411	3,567	3,870	4,423
Dividends	5,780	6,103	6,872	1,527	1,633	1,625	1,645	1,722	1,882	1,816	r1,783	1,793
Durable goods industries (84 corps.):[3]												
Sales	195,618	232,136	255,251	55,202	61,778	58,029	65,884	64,511	66,826	61,021	67,216	65,625
Total revenue	197,690	234,891	258,112	55,886	62,751	58,646	66,573	65,229	67,663	61,795	r67,845	66,225
Profits before taxes	19,365	23,633	21,271	4,801	5,754	4,708	6,219	5,242	5,102	3,516	r4,870	4,539
Profits after taxes	10,599	13,234	11,966	2,744	3,287	2,683	3,552	2,956	2,776	1,963	2,788	2,624
Memo: PAT unadj.[1]	10,374	13,383	12,272	2,775	3,413	2,669	3,533	3,098	2,973	2,095	2,696	2,608
Dividends	4,758	5,410	5,430	1,240	1,760	1,281	1,283	1,354	1,508	1,313	1,248	1,296
Selected industries:												
Food and kindred products (28 corps.):												
Sales	37,624	42,628	52,753	11,014	11,871	11,885	12,729	13,663	14,476	13,490	14,117	14,600
Total revenue	38,091	43,198	53,728	11,201	11,938	12,110	12,996	13,939	14,683	13,708	r14,356	14,844
Profits before taxes	3,573	3,957	4,603	1,031	1,067	1,046	1,190	1,289	1,077	1,066	r1,190	1,385
Profits after taxes	1,845	2,063	2,298	r546	543	529	607	645	517	502	r607	719
Memo: PAT unadj.[1]	1,805	2,074	2,328	r546	573	533	610	646	540	526	615	745
Dividends	893	935	1,010	236	240	243	248	253	267	268	271	274
Chemical and allied products (22 corps.):												
Sales	36,638	43,208	55,084	10,828	11,534	12,507	13,892	14,606	14,078	13,618	14,329	14,660
Total revenue	37,053	43,784	55,677	10,968	11,704	12,667	14,066	14,778	14,165	13,761	14,498	14,794
Profits before taxes	4,853	6,266	8,264	1,599	1,572	1,856	2,293	2,194	1,920	1,641	1,622	1,858
Profits after taxes	2,672	3,504	4,875	901	883	1,044	1,247	1,223	1,362	925	929	1,034
Memo: PAT unadj.[1]	2,671	3,469	4,745	871	880	1,031	1,245	1,180	1,289	927	937	1,028
Dividends	1,395	1,496	1,646	374	417	383	405	422	437	431	425	429
Petroleum refining (15 corps.):												
Sales	74,662	93,505	165,150	23,586	27,752	36,103	41,362	42,747	44,938	41,988	41,342	43,873
Total revenue	76,133	95,722	168,680	23,988	28,584	36,913	42,261	43,659	45,847	42,851	42,100	44,633
Profits before taxes	11,461	17,494	30,659	4,371	5,724	8,296	7,564	8,339	6,458	6,227	6,612	6,961
Profits after taxes	5,562	8,550	11,775	2,230	2,662	3,098	3,349	3,181	2,147	1,905	2,078	2,300
Memo: PAT unadj.[1]	5,325	8,505	11,747	2,192	2,688	3,011	3,304	3,132	2,299	1,871	2,040	2,268
Dividends	2,992	3,147	3,635	789	832	864	853	899	1,019	966	r937	939
Primary metals and products (23 corps.):												
Sales	34,359	42,400	54,045	10,602	11,379	11,888	13,976	14,285	13,895	12,482	12,393	12,274
Total revenue	34,797	43,104	55,049	10,764	11,715	12,045	14,171	14,504	14,328	12,782	r12,603	12,479
Profits before taxes	1,969	3,221	5,580	799	919	973	1,586	1,791	1,229	1,015	711	457
Profits after taxes	1,195	1,966	3,199	480	561	589	927	1,028	655	631	478	366
Memo: PAT unadj.[1]	1,109	2,039	3,485	496	608	607	942	1,137	799	639	485	381
Dividends	653	789	965	184	227	221	209	238	297	273	227	223
Machinery (27 corps.):												
Sales	55,615	65,041	73,452	16,306	17,871	16,830	18,836	18,853	18,935	18,245	19,881	19,764
Total revenue	56,348	65,925	74,284	16,519	18,168	17,012	19,023	19,075	19,174	18,464	20,104	19,956
Profits before taxes	6,358	7,669	7,643	1,936	2,149	1,829	2,074	1,943	1,797	1,727	2,089	2,219
Profits after taxes	3,522	4,236	4,213	1,069	1,200	1,006	1,149	1,074	985	971	1,178	1,224
Memo: PAT unadj.[1]	3,388	4,208	4,168	1,070	1,188	996	1,137	1,096	939	975	1,173	1,231
Dividends	1,497	1,606	1,839	407	410	441	441	r476	481	483	485	519
Motor vehicles and equipment (9 corps.):												
Sales	70,653	83,016	80,386	17,959	21,186	18,467	20,979	19,443	21,497	18,863	22,275	21,005
Total revenue	71,139	83,671	80,882	18,142	21,362	18,597	21,146	19,593	21,545	19,011	22,341	21,083
Profits before taxes	6,955	7,429	2,919	729	1,280	636	1,115	231	938	−98	r854	590
Profits after taxes	3,626	3,992	1,686	431	709	369	657	133	527	−127	451	328
Memo: PAT unadj.[1]	3,640	4,078	1,742	450	763	361	648	147	586	−12	455	280
Dividends	1,762	2,063	1,538	404	817	384	382	386	385	294	276	274

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[1] Profits after taxes unadjusted are as reported by the individual companies. These data are not adjusted to eliminate differences in accounting treatments of special charges, credits, and other nonoperating items.

[2] Includes 21 corporations in groups not shown separately.

[3] Includes 25 corporations in groups not shown separately.

NOTE—Data are obtained from published reports of companies and reports made to the Securities and Exchange Commission. Sales are net of returns, allowances, and discounts, and exclude excise taxes paid directly by the company. Total revenue data include, in addition to sales, income from nonmanufacturing operations and nonoperating income. Profits are before dividend payments and have been adjusted to exclude special charges and credits to surplus reserves and extraordinary items not related primarily to the current reporting period. Income taxes (not shown) include Federal, State and local government, and foreign.

Previous series last published in June 1972 BULLETIN, p. A-50.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits
1968	85.6	39.3	46.2	21.9	24.2	1973 IV	119.1	48.6	70.5	29.5	41.0
1969	83.5	39.7	43.8	22.6	21.2						
1970	71.5	34.5	37.0	22.9	14.1	1974 I	128.3	49.4	78.9	30.0	48.9
1971	82.0	37.7	44.3	23.0	21.3	II	129.6	52.6	77.1	30.9	46.2
1972 r	96.2	41.4	54.6	24.6	30.0	III	146.7	59.3	87.4	31.7	55.7
1973 r	117.0	48.2	68.8	27.8	40.9	IV	123.9	49.2	74.7	31.7	43.0
1974 r	132.1	52.6	79.5	31.1	48.4						
						1975 I	97.1	37.5	59.6	32.1	27.5
						II	108.2	41.6	66.6	32.6	34.0
						III	129.5	50.7	76.8	33.5	45.3

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally *adjusted annual rates.*

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets							Current liabilities				
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt.[1]	Other				U.S. Govt.[1]	Other		
1970	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971	203.6	529.6	53.3	11.0	3.5	217.6	200.4	43.8	326.0	4.9	215.6	13.1	92.4
1972	221.3	573.5	57.5	9.3	3.4	240.0	215.2	48.1	352.2	4.0	230.4	15.1	102.6
1973—II	235.4	608.2	59.0	10.0	2.9	255.4	230.1	50.8	372.7	4.5	241.7	15.0	111.6
III	239.5	625.3	58.9	9.7	3.0	264.4	238.0	51.3	385.8	4.4	250.2	16.5	114.7
IV	242.3	643.2	61.6	11.0	3.5	266.1	246.7	54.4	401.0	4.3	261.6	18.1	117.0
1974 I	250.1	666.2	59.4	12.1	3.2	276.2	258.4	56.9	416.1	4.5	266.5	20.6	124.5
II	253.9	685.4	58.8	10.7	3.4	289.8	269.2	53.5	431.5	4.7	278.5	19.0	129.1
III	259.5	708.6	60.3	11.0	3.5	295.5	282.2	56.1	449.1	5.1	287.0	22.7	134.3
IV	261.5	712.2	62.7	11.7	3.5	289.7	288.0	56.6	450.6	5.2	287.5	23.2	134.8
1975—I	260.4	698.4	60.6	12.1	3.2	281.9	285.2	55.4	438.0	5.3	271.2	21.8	139.8
II	269.0	703.2	63.7	12.7	3.3	284.8	281.4	57.3	434.2	5.8	270.1	17.7	140.6
III	271.8	716.5	65.6	14.3	3.3	294.7	279.6	59.0	444.7	6.2	273.4	19.4	145.6

[1] Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE.—Based on Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other[1]	Total (S.A. A.R.)
		Durable	Nondurable		Railroad	Air	Other	Electric	Gas and other			
1971	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	....
1972	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	....
1973	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.94	2.76	12.85	21.40	....
1974	112.40	22.62	23.39	3.18	2.54	2.00	2.12	17.63	2.92	13.96	22.05	....
1974—I	24.10	4.74	4.75	.68	.50	.47	.34	3.85	.52	3.19	5.05	107.27
II	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
III	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
IV	31.92	6.64	6.99	.91	.78	.48	.71	4.80	.87	3.78	5.97	116.22
1975—I	25.82	5.10	5.74	.91	.59	.44	.62	3.84	.58	3.11	4.88	114.57
II	28.43	5.59	6.55	.97	.71	.47	.77	4.15	.79	3.22	5.19	112.46
III	27.79	5.16	6.51	.94	.62	.50	.85	4.16	.91	3.14	5.00	112.16
IV	30.74	5.99	7.30	.97	.62	.43	.93	4.85	.85	3.26	5.52	111.80
1976—I[2]	26.56	4.94	6.12	.89	.49	.35	.67	4.41	.65	8.04		118.70
II[2]	30.19	5.65	7.19	.97	.51	.39	.82	5.01	.86	8.79		119.62

[1] Includes trade, service construction, finance, and insurance.

[2] Anticipated by business.

NOTE.—Dept. of Commerce estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter				
	1971	1972	1973	1974	1975			1976
				IV	I	II	III	IV
ALL HOLDERS	**r499,767**	**564,825**	**634,954**	**r688,652**	**r695,369**	**r709,553**	**r725,393**	**741,659**
1- to 4-family	r307,204	r345,372	r384,738	r412,168	r415,607	r425,132	r436,511	447,583
Multifamily	r67,387	r76,667	r85,296	r91,222	r91,522	r92,133	r92,716	94,053
Commercial	92,318	107,349	125,572	140,965	142,701	145,353	148,182	151,058
Farm	32,858	35,437	39,348	44,297	45,539	46,935	r47,984	48,965
PRIVATE FINANCIAL INSTITUTIONS	**394,239**	**450,000**	**505,400**	**542,552**	**546,689**	**558,179**	**569,499**	**580,314**
1- to 4-family	253,581	288,018	320,420	340,007	342,313	350,198	358,275	365,608
Multifamily	52,472	59,398	64,750	68,161	68,095	68,453	68,931	69,579
Commercial	78,330	92,063	108,735	121,948	123,684	126,634	129,263	131,939
Farm	9,856	10,521	11,495	12,436	12,597	12,894	13,030	13,188
Commercial banks[1]	*82,515*	*99,314*	*119,068*	*132,105*	*131,903*	*133,012*	*134,025*	*135,125*
1- to 4-family	48,020	57,004	67,998	74,758	74,696	75,356	75,979	76,616
Multifamily	3,984	5,778	6,932	7,619	7,176	6,816	6,701	6,621
Commercial	26,306	31,751	38,696	43,679	43,924	44,598	45,032	45,537
Farm	4,205	4,781	5,442	6,049	6,107	6,242	6,313	6,351
Mutual savings banks	*61,978*	*67,556*	*73,230*	*74,920*	*75,157*	*75,796*	*76,429*	*77,127*
1- to 4-family	38,641	41,650	44,246	44,670	44,795	45,175	45,552	45,968
Multifamily	14,386	15,490	16,843	17,234	17,291	17,433	17,579	17,739
Commercial	8,901	10,354	12,084	12,956	12,996	13,112	13,221	13,343
Farm	50	62	57	60	75	76	77	77
Savings and loan associations	*174,250*	*206,182*	*231,733*	*249,293*	*252,442*	*261,336*	*r270,600*	*278,704*
1- to 4-family	142,275	167,049	187,750	201,553	204,099	211,290	r218,780	225,332
Multifamily	17,355	20,783	22,524	23,683	23,831	24,409	r24,895	25,362
Commercial	14,620	18,350	21,459	24,057	24,512	25,637	r26,925	28,010
Life insurance companies	*75,496*	*76,948*	*81,369*	*86,234*	*87,187*	*88,035*	*r88,445*	*89,358*
1- to 4-family	24,645	22,315	20,426	19,026	18,723	18,377	r17,964	17,692
Multifamily	16,747	17,347	18,451	19,625	19,797	19,795	r19,756	19,857
Commercial	28,503	31,608	36,496	41,256	42,252	43,287	r44,085	45,049
Farm	5,601	5,678	5,996	6,327	6,415	6,576	r6,640	6,760
FEDERAL AND RELATED AGENCIES	**r39,366**	**45,790**	**55,664**	**r72,380**	**r76,010**	**r79,952**	**r84,522**	**89,073**
1- to 4-family	r26,416	r30,170	r35,579	r46,322	r48,455	r51,195	r54,697	58,436
Multifamily	r4,601	r6,063	r8,364	r11,329	r11,995	r12,348	r12,753	12,992
Commercial	11	....	....	....	....	....	....	....
Farm	8,338	9,557	11,721	14,729	15,560	16,409	17,072	17,645
Government National Mortgage Association	*r5,332*	*5,113*	*4,029*	*r4,846*	*r5,599*	*r5,610*	*r6,534*	*7,438*
1- to 4-family	r2,733	r2,513	r1,455	r2,248	r2,787	r2,787	r3,692	4,728
Multifamily	r2,588	r2,600	r2,574	r2,598	r2,812	r2,823	r2,842	2,710
Commercial	11	....	....	....	....	....	....	....
Farmers Home Administration	*819*	*837*	*1,200*	*1,600*	*1,700*	*1,800*	*1,900*	*2,000*
1- to 4-family	398	387	550	734	780	826	872	918
Farm	421	450	650	866	920	974	1,028	1,082
Federal Housing and Veterans Administrations	*3,389*	*3,338*	*3,476*	*4,015*	*4,047*	*4,297*	*4,681*	*5,004*
1- to 4-family	2,517	2,199	2,013	2,009	1,879	1,915	1,951	1,986
Multifamily	872	1,139	1,463	2,006	2,168	2,382	2,730	3,018
Federal National Mortgage Association	*17,791*	*19,791*	*24,175*	*29,578*	*29,754*	*30,015*	*31,055*	*31,824*
1- to 4-family	16,681	17,697	20,370	23,778	23,743	23,988	25,049	25,813
Multifamily	1,110	2,094	3,805	5,800	6,011	6,027	6,006	6,011
Federal land banks (farm only)	7,917	9,107	11,071	13,863	14,640	15,435	16,044	16,563
Federal Home Loan Mortgage Corporation	*964*	*1,789*	*2,604*	*4,586*	*4,608*	*4,944*	*5,033*	*4,987*
1- to 4-family	934	1,754	2,446	4,217	4,231	4,543	4,632	4,588
Multifamily	30	35	158	369	377	401	401	399
GNMA Pools	*3,154*	*5,815*	*9,109*	*13,892*	*15,662*	*17,851*	*19,275*	*21,257*
1- to 4-family	3,153	5,620	8,745	13,336	15,035	17,136	18,501	20,403
Multifamily	1	195	364	556	627	715	774	854
INDIVIDUALS AND OTHERS[2]	**66,162**	**69,035**	**73,890**	**73,720**	**r72,670**	**r71,422**	**r71,372**	**72,272**
1- to 4-family	27,207	27,184	28,739	25,839	24,839	23,739	r23,539	23,539
Multifamily	10,314	11,206	12,182	11,732	r11,432	r11,332	r11,032	11,482
Commercial	13,977	15,286	16,837	19,017	19,017	18,719	r18,919	19,119
Farm	14,664	15,359	16,132	17,132	17,382	17,632	17,882	18,132

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

[2] Includes some U S. agencies for which amounts are small or separate data are not readily available.

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION— SECONDARY MORTGAGE MARKET ACTIVITY

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total[1]	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding	Total	FHA-VA	Conventional	Purchases	Sales	Made during period	Outstanding
1971	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64	....	182
1972	19,791	14.624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,298	408	1,606	198
1973	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1974	29,578	19,189	8,310	6,953	5	10,765	7,960	4,586	1,904	2,682	2,191	52	4,553	2,390
1975	31,824	19,732	9,573	4,263	1	6,106	4,126	4,987	1,824	3,163	1,716	1,020	982	111
1975—Jan.	29,670	19,231	8,318	208	....	146	7,285	4,744	1,900	2,845	199	26	26	2,190
Feb.	29,718	19,256	8,313	169	....	137	6,672	4,533	1,893	2,640	113	309	21	2,070
Mar.	29,754	19,277	8,304	151	1	639	6,636	4,608	1,887	2,722	113	19	52	1,040
Apr.	29,815	19,282	8,337	211	....	913	6,890	4,634	1,890	2,744	121	71	297	1,161
May	29,858	19,251	8,395	247	....	621	6,615	4,773	1,920	2,854	203	38	42	969
June	30,015	19,282	8,498	326	....	557	6,549	4,944	1,936	3,008	210	5	28	700
July	30,351	19,385	8,693	538	....	575	6,119	5,015	1,943	3,072	161	63	139	530
Aug.	30,777	19,507	8,942	594	....	814	5,888	4.942	1,863	3,080	98	145	132	509
Sept.	31,055	19,560	9,122	488	....	575	5,399	5,033	1,852	3,181	148	31	79	403
Oct.	31,373	19,641	9,309	508	....	282	4,685	5,119	1,843	3,276	176	59	45	201
Nov.	31,552	19,648	9,430	372	....	332	4,385	4,971	1,834	3,137	104	225	50	124
Dec.	31,824	19,732	9,573	451	....	517	4,126	4.987	1,824	3,163	69	30	71	111
1976—Jan.	31,772	19,674	9,554	76	....	....	....	....	....	....	....	....	....	....

[1] Includes conventional loans not shown separately.

NOTE.—Data from FNMA and FHLMC, respectively.

For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA Tandem Plans.

For FHLMC: Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction											
	1975								1976			
	Sept. 22	Oct. 6	Oct. 20	Nov. 3	Nov. 17	Dec. 1	Dec. 15	Dec. 29	Jan. 12	Jan. 26	Feb. 9	Feb. 23
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered[1]	293.6	198.5	43.2	69.8	293.1	255.9	287.1	95.3	58.4	103.9	252.2	126.9
Accepted	142.0	143.0	23.2	41.7	180.6	138.5	158.8	52.7	31.5	57.7	179.9	81.2
Conventional loans												
Offered[1]	68.8	27.5	9.7	19.6	68.6	73.9	69.7	41.8	42.7	33.4	57.8	44.0
Accepted	35.2	23.5	9.2	15.2	34.6	40.5	31.2	11.8	32.1	24.7	36.9	23.3
Average yield (per cent) on short-term commitments[2]												
Govt.-underwritten loans	9.86	9.95	9.65	9.32	9.33	9.32	9.31	9.29	9.13	9.07	9.07	9.04
Conventional loans	9.92	10.02	9.81	9.54	9.40	9.38	9.36	9.35	9.28	9.22	9.17	9.14

[1] Mortgage amounts offered by bidders are total bids received.

[2] Average accepted bid yield (before deduction of 38 basis-point fee paid for mortgage servicing) for home mortgages assuming a prepayment period of 12 years for 30-year loans, without special adjustment for FNMA commitment fees and FNMA stock purchase and holding requirements. Commitments mature in 4 months.

MAJOR HOLDERS OF FHA-INSURED AND VA-GUARANTEED RESIDENTIAL MORTGAGE DEBT

(End of period, in billions of dollars)

Holder	Mar. 31, 1974	June 30, 1974	Sept. 30, 1974	Dec. 31, 1974	Mar. 31, 1975	June 30, 1975	Sept. 30, 1975
All holders	136.7	137.8	138.6	140.3	142.0	143.0	144.9
FHA	85.0	84.9	84.1	84.1	84.3	85.0	85.1
VA	51.7	52.9	54.5	56.2	57.7	58.0	59.8
Commercial banks	11.1	11.0	10.7	10.4	10.5	9.6	9.7
FHA	7.8	7.6	7.4	7.2	7.2	6.4	6.4
VA	3.3	3.4	3.3	3.2	3.3	3.2	3.3
Mutual savings banks	28.2	27.9	27.8	27.5	27.2	27.2	27.0
FHA	15.3	15.1	15.0	14.8	14.7	14.7	14.5
VA	12.9	12.8	12.8	12.7	12.5	12.5	12.5
Savings and loan assns	...	...	...	...	...	...	...
FHA VA	29.8	29.7	29.9	29.9	29.9	30.2	30.4
Life insurance cos	13.3	13.1	12.9	12.7	12.5	12.2	12.1
FHA	9.0	8.8	8.7	8.6	8.4	8.2	8.1
VA	4.3	4.3	4.2	4.2	4.1	4.0	4.0
Others	54.3	56.1	57.4	59.9	61.6	62.2	65.7
FHA	...	...	...	...	...	...	...
VA	...	...	...	...	...	...	...

NOTE.—VA-guaranteed residential mortgage debt is for 1- to 4-family properties while FHA-insured includes some debt in multifamily structures.

Detail by type of holder partly estimated by Federal Reserve for first and third quarters, and for most recent quarter.

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of dollars)	Averages						
			Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1971	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1972	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1974	1,166	2,603.0	2,232	9.47	21/3	74.3	10.1	1.29	10.6
1974—Sept.	95	241.6	2,543	10.04	20/11	74.4	10.3	1.29	11.1
Oct.	57	108.3	1,899	10.29	19/7	74.6	10.6	1.25	11.5
Nov.	47	79.7	1,695	10.37	18/4	74.0	10.7	1.26	11.6
Dec.	37	140.0	3,784	10.28	19/10	74.8	11.0	1.33	11.3
1975—Jan.	31	43.8	1,414	10.44	18/4	71.9	11.0	1.33	11.9
Feb.	46	94.6	2,057	10.08	22/11	74.3	10.9	1.34	11.0
Mar.	46	109.6	2,382	10.37	23/1	74.1	11.3	1.34	11.3
Apr.	32	108.4	3.386	10.02	23/0	75.6	10.8	1.36	10.8
May	73	227.5	3,116	10.23	20/9	74.7	10.8	1.30	11.1
June	61	167.5	2,745	10.11	21/9	73.0	10.5	1.29	11.2
July	53	178.6	3,370	10.19	20/7	74.6	10.9	1.31	11.3
Aug.	44	106.5	2,420	10.26	21/2	72.7	10.8	1.32	11.4
Sept.	57	123.8	2,172	10.24	22/8	73.6	10.7	1.37	11.1

NOTE.—American Life Insurance Association data for new commitments of $100,000 and over each on mortgages for multifamily and nonresidential nonfarm properties located largely in the United States. The 15 companies account for a little more than one-half of both the total assets and the nonfarm mortgages held by all U.S. life insurance companies. Averages, which are based on number of loans, vary in part with loan composition by type and location of property, type and purpose of loan, and loan amortization and prepayment terms. Data for the following are limited to cases where information was available or estimates could be made: capitalization rate (net stabilized property earnings divided by property value); debt coverage ratio (net stabilized earnings divided by debt service); and per cent constant (annual level payment, including principal and interest, per $100 of debt). All statistics exclude construction loans, increases in existing loans in a company's portfolio, reapprovals, and loans secured by land only.

TERMS AND YIELDS ON NEW HOME MORTGAGES

Period	Conventional mortgages								FHA-insured loans—Yield in private secondary market[5]
	Terms[1]						Yields (per cent) in primary market		
	Contract rate (per cent)	Fees and charges (per cent)[2]	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	FHLBB series[3]	HUD series[4]	
1971	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70
1972	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.53
1973	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	8.19
1974	8.71	1.30	26.3	75.8	40.1	29.8	8.92	9.22	9.55
1975	8.75	1.54	26.8	76.1	44.6	33.3	9.01	9.10	9.19
1975—Jan.	9.09	1.51	26.7	73.8	43.2	31.6	9.33	9.15	8.99
Feb.	8.88	1.44	26.8	76.5	44.4	33.0	9.12	9.05	8.84
Mar.	8.79	1.61	26.5	75.1	45.9	33.7	9.06	8.90	8.69
Apr.	8.71	1.53	26.5	76.4	44.5	33.4	8.96	9.00	....
May	8.63	1.63	27.0	75.5	43.5	32.2	8.90	9.05	9.16
June	8.73	1.42	26.5	76.4	43.1	32.4	8.96	9.00	9.06
July	8.66	1.40	26.0	75.9	44.1	32.9	8.89	9.00	9.13
Aug.	8.63	1.56	26.7	77.0	44.6	33.7	8.89	9.15	9.32
Sept.	8.70	1.46	26.7	75.9	45.6	34.1	8.94	9.25	9.74
Oct.	8.75	1.59	27.3	77.5	43.9	33.2	9.01	9.25	9.53
Nov.	8.74	1.65	27.6	76.5	46.4	34.8	9.01	9.20	9.41
Dec.	8.74	1.65	27.8	76.9	45.9	34.7	9.01	9.15	9.32
1976—Jan.p	8.75	1.70	27.4	77.1	47.1	35.5	9.01	9.05	9.06

[1] Weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes, as compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are not strictly comparable with earlier figures beginning Jan. 1973.

[2] Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, but exclude closing costs related solely to transfer of property ownership.

[3] Effective rate, reflecting fees and charges as well as contract rates (as shown in first column of this table) and an assumed prepayment at end of 10 years.

[4] Rates on first mortgages, unweighted and rounded to the nearest 5 basis points.

[5] Based on opinion reports submitted by field offices of prevailing local conditions as of the first of the succeeding month. Yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks					Finance companies				
	New automobiles (36 mos.)	Mobile homes (84 mos.)	Other consumer goods (24 mos.)	Personal loans (12 mos.)	Credit-card plans	Automobiles		Mobile homes	Other consumer goods	Personal loans
						New	Used			
1974—Feb.	10.53	11.25	12.82	13.02	17.24	12.33	16.62	....	....	....
Mar.	10.50	10.92	12.82	13.04	17.23	12.29	16.69	13.15	18.69	20.53
Apr.	10.51	11.07	12.81	13.00	17.25	12.28	16.76	....	....	....
May	10.63	10.96	12.88	13.10	17.25	12.36	16.86	13.08	18.90	20.54
June	10.81	11.21	13.01	13.20	17.23	12.50	17.06	....	....	....
July	10.96	11.46	13.14	13.42	17.20	12.58	17.18	13.22	19.25	20.74
Aug.	11.15	11.71	13.10	13.45	17.21	12.67	17.32	....	....	....
Sept.	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.43	19.31	20.87
Oct.	11.53	11.94	13.28	13.60	17.17	12.97	17.78	....	....	....
Nov.	11.57	11.87	13.16	13.47	17.16	13.06	17.88	13.60	19.49	21.11
Dec.	11.62	11.71	13.27	13.60	17.21	13.10	17.89	....	....	....
1975 Jan.	11.61	11.66	13.28	13.60	17.12	13.08	17.27	13.60	19.80	21.09
Feb.	11.51	12.14	13.20	13.44	17.24	13.07	17.39	....	....	....
Mar.	11.46	11.66	13.07	13.40	17.15	13.07	17.52	13.59	20.00	20.82
Apr.	11.44	11.78	13.22	13.55	17.17	13.07	17.58	....	....	....
May	11.39	11.57	13.11	13.41	17.21	13.09	17.65	13.57	19.63	20.72
June	11.26	12.02	13.10	13.40	17.10	13.12	17.67	....	....	....
July	11.30	11.94	13.13	13.49	17.15	13.09	17.69	13.78	19.87	20.93
Aug.	11.31	11.80	13.05	13.37	17.14	13.10	17.70	....	....	....
Sept.	11.33	11.99	13.06	13.41	17.14	13.18	17.73	13.78	19.69	21.16
Oct.	11.24	12.05	13.00	13.38	17.11	13.15	17.79	....	....	....
Nov.	11.24	11.76	12.96	13.40	17.06	13.17	17.82	13.43	19.66	21.09
Dec.	11.25	11.83	13.11	13.46	17.13	13.19	17.86	....	....	....
1976—Jan.	11.21	11.76	13.14	13.40	17.08	....	....	....	....	....

NOTE.—Rates are reported on an annual percentage rate basis as specified in Regulation Z (Truth in Lending) of the Board of Governors. Commercial bank rates are "most common" rates for direct loans with specified maturities; finance company rates are weighted averages for purchased contracts (except personal loans). For back figures and description of the data, see BULLETIN for Sept. 1973.

INSTALMENT CREDIT—TOTAL OUTSTANDING, AND NET CHANGE

(In millions of dollars)

Holder, and type of credit	1973	1974	1975	1975						1976
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
	Amounts outstanding (end of period)									
TOTAL	148,273	158,101	161,819	155,419	156,765	157,720	158,390	159,200	161,819	160,745
By holder:										
Commercial banks	71,871	75,846	75,710	74,232	74,701	75,024	75,286	75,174	75,710	75,342
Finance companies	37,243	38,925	38,932	38,177	38,340	38,375	38,411	38,642	38,932	38,737
Credit unions	19,609	22,116	25,354	23,507	24,043	24,510	24,706	24,934	25,354	25,250
Retailers[1]	16,395	17,933	18,328	15,963	16,172	16,232	16,444	16,860	18,328	17,771
Others[2]	3,155	3,281	3,495	3,540	3,509	3,579	3,543	3,590	3,495	3,645
By type of credit:										
Automobile, total	51,274	52,209	53,629	52,088	52,545	52,852	53,286	53,479	53,629	53,318
Commercial banks	31,502	30,994	30,198	29,923	30,000	30,031	30,259	30,235	30,198	29,862
Purchase	18,997	18,687	17,620	17,799	17,773	17,737	17,848	17,761	17,620	17,500
Direct	12,505	12,306	12,578	12,124	12,227	12,294	12,411	12,474	12.578	12.363
Finance companies	11,927	12,435	13,364	12,793	12,982	13,066	13,203	13,325	13,364	13,407
Credit unions	7,456	8,414	9,653	8,945	9,149	9,329	9,403	9,491	9,653	9,612
Others	389	366	414	427	414	426	421	428	414	437
Mobile homes:										
Commercial banks	8,340	8,972	8,420	8,606	8,583	8,566	8,519	8,502	8,420	8,351
Finance companies	3,378	3,570	3,504	3,503	3,498	3,499	3,498	3,519	3,504	3,464
Home improvement, total	7,453	8,398	8,301	8,272	8,329	8,372	8,374	8,361	8,301	8,263
Commercial banks	4,083	4,694	4,813	4,695	4,757	4,797	4,824	4,827	4,813	4,777
Revolving credit:										
Bank credit cards	6,838	8,281	9,078	8,088	8,259	8,414	8,450	8,500	9,078	9,150
Bank check credit	2,254	2,797	2,883	2,765	2,793	2,826	2,834	2,822	2,883	2,911
All other	68,736	73,874	76,004	72,096	72,757	73,192	73,430	74,018	76,004	75,287
Commercial banks, total	18,854	20,108	20,318	20,154	20,308	20,390	20,401	20,289	20,318	20,290
Personal loans	12,873	13,771	14,035	13,731	13,856	13,935	14,005	13,943	14,035	14,049
Finance companies, total	21,021	21,927	21,465	21,103	21,119	21,104	21,037	21,158	21,465	21,279
Personal loans	16,587	17,176	17,179	16,845	16,868	16,858	16,822	16,942	17,179	17,035
Credit unions	11,564	13,037	14,937	13,855	14,170	14,443	14,559	14,692	14,937	14,878
Retailers	16,395	17,933	18,328	15,963	16,172	16,232	16,444	16,860	18,328	17,771
Others	902	869	956	1,021	988	1,022	989	1,019	956	1,069
	Net change (during period)[3]									
TOTAL	20,826	9,824	3,719	886	637	759	830	805	894	1,295
By holder:										
Commercial banks	11,002	3,971	-134	302	209	295	309	233	310	208
Finance companies	5,155	1,682	7	197	21	95	36	157	34	260
Credit unions	2,696	2,507	3,237	316	291	428	255	270	471	387
Retailers	1,632	1,538	395	-14	181	-107	258	84	125	185
Others	341	126	214	86	-65	49	-29	61	-44	254
By type of credit:										
Automobile, total	6,980	935	1,420	383	213	385	389	404	540	488
Commercial banks	4,196	-508	-796	135	8	117	164	163	260	-44
Purchase	2,674	-310	-1,067	51	-95	6	76	33	48	40
Direct	1,523	-199	272	83	103	111	88	130	213	-84
Finance companies	1,753	508	929	127	126	91	103	144	89	275
Credit unions	1,024	958	1,239	122	86	154	122	91	184	203
Other	7	-23	48	-1	-7	23	1	5	6	54
Mobile homes:										
Commercial banks	1,933	634	-553	-32	-24	-17	-62	-6	-61	-26
Finance companies	462	192	-66	-17	-11	-10	-7	26	-10	-28
Home improvement, total	1,196	946	-100	38	-4	19	-6	38	23	106
Commercial banks	483	612	114	31	24	27	23	42	41	30
Revolving credit:										
Bank credit cards	1,428	1,442	798	69	113	106	78	29	-49	107
Bank check credit	479	543	86	15	12	14	17	2	13	23
All other	8,344	5,141	2,133	430	338	262	420	312	440	625
Commercial banks, total	2,479	1,257	213	84	76	48	89	2	107	118
Personal loans	1,491	900	265	31	48	45	119	-6	149	100
Finance companies, total	2,520	906	-462	115	-58	49	-27	20	-4	20
Personal loans	1,675	589	-3	161	-38	59	-7	15	23	40
Credit unions	1,591	1,473	1,900	185	189	260	127	173	274	173
Retailers	1,632	1,538	395	-14	181	-107	258	84	125	185
Others	122	-33	87	60	-49	13	-28	33	-61	129

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[1] Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

[2] Mutual savings banks, savings and loan associations, and auto dealers.

[3] Figures for all months are seasonally adjusted and equal extensions minus liquidations (repayments, charge-offs, and other credits).

INSTALMENT CREDIT EXTENSIONS AND REPAYMENTS

(In millions of dollars)

Holder, and type of credit	1973	1974	1975	1975						1976
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
	Extensions[1]									
TOTAL	164,527	166,170	166,833	14,322	14,427	14,555	14,832	14,877	15,295	16,205
By holder:										
Commercial banks	72,216	72,602	73,186	6,311	6,362	6,529	6,518	6,599	6,796	6,687
Finance companies	43,221	41,809	39,543	3,423	3,387	3,459	3,412	3,712	3,530	4,231
Credit unions	21,143	22,403	24,151	2,098	2,056	2,156	2,187	1,995	2,381	2,253
Retailers[2]	25,440	27,034	27,369	2,208	2,479	2,164	2,531	2,302	2,431	2,578
Others[3]	2,507	2,322	2,584	282	144	247	183	268	158	456
By type of credit:										
Automobile, total	46,486	43,431	46,530	4,124	4,032	4,235	4,189	4,218	4,405	4,511
Commercial banks	29,368	26,407	26,693	2,371	2,355	2,436	2,434	2,460	2,591	2,361
Purchase	17,497	15,515	14,758	1,304	1,264	1,301	1,333	1,310	1,450	1,314
Direct	11,871	10,831	11,936	1,067	1,091	1,135	1,101	1,150	1,141	1,047
Finance companies	9,685	8,851	9,651	868	805	865	836	831	897	987
Credit unions	7,009	7,788	9,702	847	840	873	878	885	875	1,068
Others	424	385	484	38	31	61	41	42	42	95
Mobile homes:										
Commercial banks	4,437	3,486	2,349	227	211	222	198	233	203	209
Finance companies	1,673	1,627	1,018	81	82	83	81	97	88	79
Home improvement, total	4,828	4,854	4,333	395	363	388	392	409	418	459
Commercial banks	2,489	2,790	2,515	222	219	224	238	243	253	231
Revolving credit:										
Bank credit cards	13,862	17,098	19,567	1,618	1,689	1,737	1,698	1,752	1,719	1,840
Bank check credit	3,373	4,228	4,214	346	353	350	357	348	412	397
All other	89,864	91,455	88,818	7,531	7,697	7,539	7,915	7,819	8,051	8,711
Commercial banks, total	18,683	18,602	17,844	1,527	1,535	1,560	1,593	1,562	1,619	1,649
Personal loans	12,927	13,177	12,623	1,026	1,083	1,105	1,144	1,076	1,178	1,145
Finance companies, total	31,032	30,764	28,654	2,454	2,482	2,489	2,474	2,771	2,527	3,139
Personal loans	18,915	18,827	18,406	1,621	1,653	1,624	1,613	1,674	1,513	1,980
Credit unions	13,768	14,228	13,992	1,210	1,169	1,238	1,269	1,074	1,461	1,141
Retailers	25,440	27,034	27,369	2,208	2,479	2,164	2,531	2,302	2,431	2,578
Others	941	827	959	132	32	89	48	111	14	204
	Repayments[1]									
TOTAL	143,701	156,346	163,113	13,436	13,790	13,795	14,002	14,072	r14,403	14,910
By holder:										
Commercial banks	61,214	68,631	73,320	6,009	6,153	6,234	6,209	6,367	r6,488	6,479
Finance companies	38,066	40,127	39,536	3,227	3,366	3,364	3,376	3,555	3,496	3,971
Credit unions	18,447	19,896	20,914	1,782	1,764	1,728	1,932	1,725	1,910	1,866
Retailers[2]	23,808	25,496	26,974	2,222	2,298	2,271	2,273	2,218	2,306	2,393
Others[3]	2,166	2,196	2,370	196	208	198	212	208	202	202
By type of credit:										
Automobile, total	39,506	42,496	45,110	3,741	3,818	3,849	3,800	3,814	3,865	4,023
Commercial banks	25,172	26,915	27,489	2,236	2,347	2,319	2,271	2,297	2,331	2,405
Purchase	14,822	15,886	15,825	1,253	1,359	1,295	1,257	1,277	1,402	1,274
Direct	10,348	11,028	11,663	984	988	1,024	1,013	1,020	928	1,131
Finance companies	7,932	8,343	8,722	740	679	773	733	687	808	712
Credit unions	5,985	6,830	8,463	725	755	719	756	794	691	865
Others	417	408	436	39	38	38	40	37	36	41
Mobile homes:										
Commercial banks	2,504	2,852	2,902	259	235	239	260	239	r266	235
Finance companies	1,211	1,435	1,084	98	93	94	88	72	98	107
Home improvement, total	3,632	3,908	4,434	357	367	369	398	371	395	353
Commercial banks	2,006	2,178	2,400	191	195	197	214	202	212	201
Revolving credit:										
Bank credit cards	12,434	15,656	18,769	1,548	1,576	1,631	1,619	1,723	1,768	1,733
Bank check credit	2,894	3,685	4,128	331	341	336	340	346	399	374
All other	81,520	86,314	86,689	7,102	7,359	7,277	7,496	7,507	7,611	8,086
Commercial banks, total	16,204	17,345	17,635	1,443	1,459	1,512	1,504	1,560	1,512	1,531
Personal loans	11,436	12,277	12,361	995	1,035	1,060	1,025	1,082	1,029	1,045
Finance companies, total	28,512	29,858	29,116	2,339	2,540	2,440	2,501	2,751	2,531	3,119
Personal loans	17,240	18,238	18,403	1,460	1,691	1,565	1,620	1,659	1,490	1,940
Credit unions	12,177	12,755	12,092	1,025	981	978	1,142	901	1,187	968
Retailers	23,808	25,496	26,974	2,222	2,298	2,271	2,273	2,218	2,306	2,393
Others	819	860	872	72	81	76	76	77	75	75

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[1] Monthly figures are seasonally adjusted.

[2] *Excludes 30-day charge credit held by retailers, oil and gas companies,* and travel and entertainment companies.

[3] Mutual savings banks, savings and loan associations, and auto dealers.

MARKET GROUPINGS

(Seasonally adjusted, 1967 = 100)

Grouping	1967 proportion	1975 average	1975											1976	
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.^{r}	Dec.^{r}	Jan.^{p}	Feb.^{e}
Total index	100.0	113.8	111.2	110.0	109.9	110.1	111.1	112.2	114.2	116.2	116.7	117.5	118.6	119.2	119.9
Products, total	**62.21**	**115.7**	**113.7**	**112.4**	**112.9**	**113.4**	**114.2**	**115.3**	**115.8**	**116.9**	**116.9**	**117.9**	**119.5**	**120.6**	**120.9**
Final products	*48.95*	*115.5*	*113.3*	*112.2*	*112.6*	*113.7*	*114.5*	*115.7*	*115.9*	*116.9*	*117.0*	*117.9*	*119.3*	*120.5*	*120.7*
Consumer goods	28.53	124.1	118.8	118.2	119.6	121.2	123.3	125.5	125.7	126.8	127.0	128.5	129.7	131.6	132.6
Equipment	20.42	103.6	105.3	103.9	103.0	102.9	102.2	102.2	102.3	102.8	102.6	102.6	103.7	104.2	104.2
Intermediate products	13.26	116.3	115.2	112.7	113.4	112.4	112.8	114.3	115.4	116.6	117.0	118.5	119.6	122.6	122.5
Materials	**37.79**	**110.5**	**107.4**	**105.9**	**105.2**	**104.9**	**106.0**	**106.8**	**111.5**	**115.1**	**116.5**	**116.7**	**117.0**	**117.6**	**118.5**
Consumer goods															
Durable consumer goods	*7.86*	*112.6*	*101.0*	*103.1*	*107.8*	*110.5*	*113.2*	*115.9*	*116.1*	*118.3*	*118.3*	*118.8*	*119.8*	*121.8*	*123.2*
Automotive products	2.84	99.2	78.2	86.8	93.6	97.6	103.4	106.9	105.9	106.7	108.9	109.4	111.8	113.1	118.6
Autos	1.87	86.9	58.9	73.1	82.4	86.3	93.2	97.7	96.8	97.9	101.2	100.0	100.1	99.2	105.1
Auto parts and allied goods	.97	122.8	115.5	113.2	115.2	119.3	122.8	124.8	123.2	123.5	123.9	127.3	134.1	139.7	140.0
Home goods	5.02	120.2	114.0	112.3	115.9	117.8	118.8	121.0	121.9	125.0	123.6	124.2	124.5	126.6	125.9
Appliances, TV, and radios	1.41	101.9	89.0	85.0	96.7	102.4	103.5	104.7	106.5	108.4	105.4	104.6	106.0	110.7	110.8
Appliances and A/C	.92	118.4	104.8	99.1	114.2	118.4	118.3	118.9	122.2	124.1	123.4	122.8	123.5	129.3	......
TV and home audio	.49	70.8	......	......	......	......	......	......	......	......	......	......	......	......	......
Carpeting and furniture	1.08	133.8	132.3	127.9	127.8	128.6	131.1	135.5	136.0	137.6	137.9	139.3	137.1	139.1	......
Misc. home goods	2.53	124.6	120.1	121.0	121.4	121.7	122.1	124.0	124.5	129.0	127.4	128.7	129.5	130.4	129.7
Nondurable consumer goods	*20.67*	*128.4*	*125.5*	*124.1*	*124.0*	*125.3*	*127.2*	*129.0*	*129.4*	*130.1*	*130.5*	*132.7*	*133.9*	*135.3*	*135.9*
Clothing	4.32	98.7	94.5	90.9	89.2	94.4	97.7	101.6	102.0	101.5	104.5	106.2	107.9	......	......
Consumer staples	16.34	136.3	133.6	132.7	133.3	133.5	134.9	136.3	136.6	137.8	137.3	139.6	140.7	141.6	142.1
Consumer foods and tobacco	8.37	125.3	123.2	120.7	122.7	122.4	124.1	125.5	125.8	126.4	127.2	130.0	131.1	132.0	132.8
Nonfood staples	7.98	147.8	144.5	145.3	144.3	145.3	146.4	147.7	148.0	149.9	148.1	150.1	151.2	152.1	151.7
Consumer chemical products	2.64	161.5	157.1	158.2	157.6	158.4	159.2	161.2	160.4	161.6	161.7	167.9	169.1	170.2	......
Consumer paper products	1.91	125.0	121.9	120.9	118.4	122.8	123.3	124.1	126.7	127.7	126.4	125.5	129.0	131.5	......
Consumer fuel and lighting	3.43	150.0	147.2	149.0	148.6	147.8	149.4	150.4	150.3	153.2	149.5	149.7	149.7	149.4	......
Residential utilities	2.25	161.9	159.7	163.1	161.9	160.9	161.3	160.5	161.1	164.8	160.1	161.4	160.9	......	......
Equipment															
Business equipment	*12.74*	*116.6*	*119.3*	*117.0*	*115.4*	*115.0*	*113.9*	*113.9*	*114.9*	*115.6*	*115.7*	*116.7*	*118.4*	*118.8*	*118.8*
Industrial equipment	6.77	116.7	120.4	118.8	116.4	115.3	114.0	113.3	113.4	114.5	115.4	116.7	118.6	119.3	118.9
Building and mining equip.	1.45	133.6	137.0	137.7	132.3	131.7	127.7	126.9	128.3	129.7	133.1	136.5	138.0	141.2	142.0
Manufacturing equipment	3.85	105.9	109.4	106.6	105.6	105.0	104.3	105.5	105.1	104.5	104.0	103.6	104.8	105.4	105.9
Power equipment	1.47	128.2	132.1	131.8	128.9	126.2	125.8	120.3	120.8	125.7	127.9	129.2	131.3	132.5	132.5
Commercial, transit, farm equip.	5.97	116.6	118.0	115.1	114.2	114.7	113.9	114.6	116.5	116.9	116.2	116.7	117.9	118.4	118.8
Commercial equipment	3.30	125.0	130.4	127.8	123.2	121.5	120.7	123.0	123.4	122.6	123.3	123.3	124.9	125.3	125.5
Transit equipment	2.00	98.0	91.5	88.8	92.2	98.6	98.0	98.0	101.5	105.0	100.4	101.7	102.6	102.5	104.4
Farm equipment	.67	130.5	135.9	130.2	135.7	129.0	127.3	122.9	127.7	124.3	128.0	128.7	129.4	131.6	......
Defense and space equipment	*7.68*	*82.0*	*82.4*	*82.1*	*82.4*	*82.7*	*82.9*	*82.6*	*81.4*	*81.6*	*81.1*	*79.3*	*79.7*	*80.2*	*80.3*
Military products	5.15	80.8	80.7	80.3	80.7	82.0	82.0	82.1	80.6	80.7	80.2	77.3	78.0	77.9	78.1
Intermediate products															
Construction products	5.93	112.4	112.1	109.1	110.1	107.6	106.8	108.0	109.3	112.0	112.5	112.5	111.6	115.4	116.0
Misc. intermediate products	7.34	119.7	118.4	115.6	116.1	116.2	117.5	119.3	120.3	120.3	120.7	123.4	126.0	128.4	......
Materials															
Durable goods materials	*20.91*	*106.5*	*107.0*	*104.7*	*101.6*	*100.2*	*99.8*	*100.3*	*106.1*	*108.7*	*110.1*	*110.6*	*111.2*	*112.6*	*113.0*
Consumer durable parts	4.75	94.1	82.1	84.7	86.0	87.7	90.8	92.8	101.7	103.0	102.4	102.7	104.5	105.9	106.4
Equipment parts	5.41	106.3	112.0	108.7	104.6	102.1	97.3	96.8	100.7	102.4	105.2	106.9	108.4	108.8	109.0
Durable materials n.e.c.	10.75	112.1	115.4	111.4	106.9	104.7	105.1	105.3	111.0	114.5	116.3	116.2	115.7	117.6	117.9
Nondurable goods materials	*13.99*	*114.9*	*105.7*	*105.3*	*107.9*	*109.5*	*112.3*	*114.0*	*118.2*	*123.4*	*125.0*	*125.0*	*125.6*	*126.3*	*126.9*
Textile, paper, and chem. mat.	8.58	121.1	108.5	106.2	110.4	113.2	117.0	118.9	126.0	133.9	136.1	136.3	137.4	138.6	139.0
Nondurable materials n.e.c.	5.41	105.0	101.1	103.9	104.0	103.7	105.1	106.2	106.0	106.7	107.3	106.5	106.7	106.8	107.0
Fuel and power, industrial	2.89	118.7	118.2	118.0	117.5	118.0	119.5	121.1	118.4	121.3	120.6	120.7	117.1	117.3	116.7
Supplementary groups															
Home goods and clothing	9.34	110.3	105.0	102.3	103.6	106.9	109.1	112.0	112.8	114.2	114.7	115.7	116.8	119.0	118.7
Containers	1.82	129.9	119.9	122.3	124.2	124.3	128.4	132.8	133.5	142.7	137.6	134.0	134.3	141.9	......
Gross value of products in market structure															
(In billions of 1963 dollars)															
Products, total	**286.3**	......	**410.1**	**405.1**	**409.6**	**408.6**	**414.5**	**416.1**	**418.1**	**426.1**	**425.8**	~~**429.1**~~	**434.6**	**437.5**	**437.4**
Final products	*221.4*	......	*317.7*	*315.3*	*319.0*	*319.4*	*325.0*	*325.2*	*326.3*	*332.9*	*333.7*	~~*336.5*~~	*339.6*	*340.9*	*342.2*
Consumer goods	156.3	......	213.7	213.2	217.6	217.8	223.6	224.9	225.4	230.8	231.7	~~235.1~~	237.0	237.9	240.3
Equipment	65.3	......	103.9	102.2	101.4	101.5	101.3	100.5	100.9	102.3	101.7	101.5	102.2	103.4	102.3
Intermediate products	64.9	......	92.3	90.0	90.5	89.2	89.6	91.1	92.9	92.9	93.0	94.2	95.2	97.5	95.6

For NOTE see opposite page.

INDUSTRY GROUPINGS

(Seasonally adjusted, 1967 = 100)

Grouping	1967 proportion	1974 average	1975											1976	
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.^{r}	Jan.^{p}	Feb.^{e}
Manufacturing	*88.55*	*112.2*	*109.2*	*107.7*	*107.9*	*108.2*	*109.5*	*110.6*	*112.8*	*114.7*	*115.8*	*116.6*	*117.1*	*117.7*	*118.6*
Durable	52.33	105.8	104.8	103.5	103.3	102.5	103.2	103.5	105.4	107.0	107.6	108.0	108.5	109.1	110.0
Nondurable	36.22	121.5	115.6	113.7	114.8	116.1	118.6	120.8	123.4	125.7	127.2	128.8	130.0	130.6	131.1
Mining and utilities	11.45	127.5	127.3	128.8	128.1	126.5	126.8	127.4	127.0	127.8	127.0	127.6	127.3	127.8	127.1
Mining	6.37	106.5	108.6	108.9	108.5	105.9	106.3	106.4	105.0	105.3	106.4	106.6	104.2	104.9	102.7
Utilities	5.08	153.8	150.9	154.0	153.1	152.3	152.6	153.7	154.6	156.1	152.9	153.8	156.0	157.2	157.5
Durable manufactures															
Primary and fabricated metals	*12.55*	*105.5*	*107.7*	*105.1*	*103.2*	*99.8*	*100.8*	*100.7*	*104.1*	*106.1*	*105.9*	*107.2*	*106.1*	*107.1*	*108.3*
Primary metals	6.61	97.2	102.1	98.1	95.0	89.9	91.8	92.8	96.5	97.2	97.0	98.2	95.3	97.0	98.1
Iron and steel, subtotal	4.23	96.1	105.0	103.1	99.4	90.1	88.7	87.0	90.4	91.3	93.2	96.0	92.2	93.3	94.5
Fabricated metal products	5.94	114.8	113.7	112.9	112.4	100.9	110.9	109.7	112.7	116.1	115.9	117.3	118.1	118.3	119.3
Machinery and allied goods	*32.44*	*104.0*	*102.4*	*101.5*	*101.9*	*101.7*	*102.3*	*102.4*	*103.7*	*105.0*	*105.8*	*106.2*	*107.2*	*107.0*	*107.8*
Machinery	17.39	112.8	115.6	112.2	110.8	109.0	108.2	108.4	110.0	111.7	112.9	114.2	115.2	115.5	115.8
Nonelectrical machinery	9.17	118.6	123.6	119.3	116.9	113.7	112.3	112.9	115.1	116.7	117.7	119.2	119.9	120.3	120.5
Electrical machinery	8.22	106.3	106.6	104.3	104.0	103.8	103.8	103.4	104.4	106.1	107.6	108.7	110.0	110.1	110.7
Transportation equipment	9.29	88.3	77.1	81.0	84.7	87.6	90.5	91.0	92.9	94.3	94.7	94.0	95.4	94.1	96.2
Motor vehicles and parts	4.56	98.1	77.6	85.4	93.1	95.0	100.0	103.2	107.2	110.1	111.0	109.4	110.3	109.2	113.8
Aerospace and misc. trans. eq.	4.73	79.0	76.6	76.7	76.6	80.4	81.3	79.3	79.1	79.2	79.0	79.3	81.0	79.5	78.7
Instruments	2.07	133.7	134.2	130.6	131.1	129.7	130.9	132.4	132.1	134.5	134.5	137.0	138.1	140.6	141.5
Ordnance, private and Govt.	3.69	85.3	86.9	86.7	86.7	86.7	87.7	86.4	84.3	84.2	83.9	81.7	81.7	81.8	81.7
Lumber, clay, and glass	*4.44*	109.2	*104.6*	*102.6*	*104.8*	*105.9*	*107.0*	*108.3*	*110.6*	*113.1*	*114.4*	*112.5*	*113.9*	*118.7*	*119.2*
Lumber and products	1.65	109.9	99.6	99.8	104.1	108.0	110.3	112.0	114.5	115.5	116.8	115.1	116.8	120.1	......
Clay, glass, and stone products	2.79	108.8	107.8	104.2	105.4	104.7	105.1	106.2	108.3	111.7	113.0	111.2	112.2	117.8	......
Furniture and miscellaneous	*2.90*	*121.5*	*119.6*	*118.7*	*117.6*	*119.7*	*120.1*	*121.2*	*123.1*	*124.3*	*124.6*	*123.1*	*124.3*	*124.6*	*126.2*
Furniture and fixtures	1.38	109.5	110.6	106.7	105.6	109.6	107.9	109.4	109.6	110.6	110.8	111.0	112.3	113.5	......
Miscellaneous manufactures	1.52	132.4	128.0	129.7	128.5	129.0	131.1	131.8	135.3	136.7	137.2	133.8	135.1	134.9	......
Nondurable manufactures															
Textiles, apparel, and leather	*6.90*	*97.9*	*89.6*	*87.5*	*90.4*	*93.2*	*94.9*	*97.4*	*100.2*	*104.0*	*106.0*	*108.4*	*109.6*	*109.7*	*110.1*
Textile mill products	2.69	109.8	93.3	96.8	100.4	103.8	106.9	110.7	115.0	121.2	123.2	125.2	125.7	125.1	......
Apparel products	3.33	94.6	92.6	86.4	88.2	90.9	91.5	92.9	95.8	96.1	98.0	101.4	104.1	......	......
Leather and products	.88	73.8	66.7	63.5	68.0	70.0	71.2	73.5	71.7	81.2	83.8	83.6	81.4	79.1	......
Paper and printing	*7.92*	*109.7*	*106.6*	*104.2*	*102.4*	*103.9*	*107.3*	*107.3*	*110.8*	*113.9*	*114.8*	*114.8*	*116.7*	*119.8*	*120.6*
Paper and products	3.18	115.8	109.5	104.5	105.8	105.8	109.5	111.7	116.4	124.0	127.0	127.3	129.0	131.4	......
Printing and publishing	4.74	105.5	104.7	104.0	100.2	102.6	105.9	104.4	107.1	107.1	106.5	106.2	108.6	112.2	112.0
Chemicals, petroleum, and rubber	*11.92*	*140.4*	*132.4*	*130.2*	*131.0*	*132.5*	*136.2*	*140.2*	*143.6*	*146.2*	*148.5*	*150.2*	*151.3*	*150.6*	*150.3*
Chemicals and products	7.86	143.1	134.6	133.6	132.8	135.7	138.2	143.4	146.3	148.8	152.5	155.2	156.1	155.4	155.3
Petroleum products	1.80	124.7	123.7	120.1	120.2	118.5	122.4	124.6	126.7	127.1	126.5	126.7	127.4	123.0	120.9
Rubber and plastics products	2.26	143.3	132.0	126.8	133.5	132.7	140.1	141.6	147.8	152.0	153.1	151.4	153.7	155.5	......
Foods and tobacco	*9.48*	*124.6*	*121.3*	*120.0*	*122.4*	*122.4*	*123.5*	*124.8*	*125.2*	*126.0*	*126.3*	*128.2*	*129.4*	*130.2*	*131.1*
Foods	8.81	125.9	122.3	121.3	122.9	123.8	125.1	126.3	126.7	127.4	127.3	129.2	131.1	132.1	133.2
Tobacco products	.67	108.0	108.4	102.6	115.9	103.8	102.2	104.8	105.7	109.3	111.9	113.8	104.6	......	......
Mining															
Metal, stone, and earth minerals	*1.26*	*109.9*	*116.2*	*113.4*	*113.3*	*106.2*	*101.5*	*105.0*	*107.2*	*107.2*	*108.0*	*109.9*	*109.4*	*113.1*	*113.6*
Metal mining	.51	121.7	131.1	125.4	125.8	114.8	110.6	110.3	119.2	118.5	119.8	122.1	121.0	123.5	......
Stone and earth minerals	.76	101.8	106.1	105.1	104.7	100.4	95.3	101.4	98.9	99.5	100.0	101.7	101.4	106.0	......
Coal, oil, and gas	*5.11*	*105.7*	*106.8*	*107.7*	*107.4*	*105.8*	*107.6*	*106.7*	*104.4*	*104.8*	*106.1*	*105.9*	~~*103.0*~~	*102.9*	*100.2*
Coal	.69	114.0	117.5	117.4	112.2	113.6	120.4	120.6	105.7	113.6	114.6	119.8	104.5	107.2	103.1
Oil and gas extraction	4.42	104.4	105.0	106.1	106.6	104.5	105.5	104.5	104.2	103.4	104.8	103.8	102.6	102.2	99.6
Utilities															
Electric	3.90	164.9	161.1	165.4	164.1	163.0	163.3	164.7	165.8	167.8	163.4	164.9	[illegible]	......	......
Gas	1.17	117.1	......	......	......	......	......	......	......	......	......	......	......	......	......

NOTE.—Data for the complete year of 1972 are available in a pamphlet *Industrial Production Indexes 1972* from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Published groupings include series and subtotals not shown separately. Figures for individual series and subtotals are published in the monthly Industrial Production release.

SELECTED BUSINESS INDEXES

(1967 = 100, except as noted)

Period	Industrial production									Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Nonagricultural employment—Total[1]	Manufacturing[2]		Total retail sales[3]	Prices[4]	
	Total	Market							Industry				Employment	Payrolls		Consumer	Wholesale commodity
		Total	Products					Materials	Manufacturing								
			Final				Intermediate										
			Total	Consumer goods	Equipment												
1955	58.5	56.6	54.9	59.5	48.9	62.6	61.5	58.2	90.0	......	76.9	92.9	61.1	59	80.2	87.8
1956	61.1	59.7	58.2	61.7	53.7	65.3	63.1	60.5	88.2	......	79.6	93.9	64.6	61	81.4	90.7
1957	61.9	61.1	59.9	63.2	55.9	65.3	63.1	61.2	84.5	......	80.3	92.2	65.4	64	84.3	93.3
1958	57.9	58.6	57.1	62.6	50.0	63.9	56.8	56.9	75.1	......	78.0	83.9	60.3	64	86.6	94.6
1959	64.8	64.4	62.7	68.7	54.9	70.5	65.5	64.1	81.4	......	81.0	88.1	67.8	69	87.3	94.8
1960	66.2	66.2	64.8	71.3	56.4	71.0	66.4	65.4	80.1	68.6	82.4	88.0	68.8	70	88.7	94.9
1961	66.7	66.9	65.3	72.8	55.6	72.4	66.4	65.6	77.6	70.2	82.1	84.5	68.0	70	89.6	94.5
1962	72.2	72.1	70.8	77.7	61.9	76.9	72.4	71.4	81.4	78.1	84.4	87.3	73.3	75	90.6	94.8
1963	76.5	76.2	74.9	82.0	65.6	81.1	77.0	75.8	83.0	86.1	86.1	87.8	76.0	79	91.7	94.5
1964	81.7	81.2	79.6	86.8	70.1	87.3	82.6	81.2	85.5	89.4	88.6	89.3	80.1	83	92.9	94.7
1965	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1	89.0	93.2	92.3	93.9	88.1	90	94.5	96.6
1966	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3	91.9	94.8	97.1	99.9	97.8	97	97.2	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	87.9	100.0	100.0	100.0	100.0	100	100.0	100.0
1968	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7	87.7	113.2	103.2	101.4	108.3	109	104.2	102.5
1969	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5	86.5	123.7	106.9	103.2	116.6	114	109.8	106.5
1970	106.6	106.0	104.5	110.3	96.3	111.7	107.7	105.2	78.3	123.1	107.7	98.1	114.1	119	116.3	110.4
1971	106.8	106.4	104.7	115.7	89.4	112.6	107.4	105.2	75.0	145.4	108.1	94.2	116.7	130	121.2	113.9
1972	115.2	113.8	111.9	123.6	95.5	121.1	117.4	114.0	78.6	165.3	111.9	97.6	131.5	142	125.3	119.8
1973	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	179.7	116.8	103.2	149.2	160	133.1	134.7
1974	124.8	123.1	121.7	128.8	111.7	128.3	127.4	124.4	78.9	168.6	119.1	102.1	157.1	171	147.7	160.1
1975	113.8	115.7	115.5	124.1	103.6	116.3	110.5	112.2	......	......	116.9	91.4	151.0	......	......	......
1975- Jan.	113.7	115.4	114.9	120.1	107.8	117.6	110.5	111.7		135.0	117.4	93.9	149.5	176	156.1	171.8
Feb.	111.2	113.7	113.3	118.8	105.3	115.2	107.4	109.2	68.2	139.0	116.6	91.2	143.5	179	157.2	171.3
Mar.	110.0	112.4	112.2	118.2	103.9	112.7	105.9	107.7		153.0	116.1	90.3	143.3	176	157.8	170.4
Apr.	109.9	112.9	112.6	119.6	103.0	113.4	105.2	107.9		189.0	116.1	89.9	144.7	179	158.6	172.1
May	110.1	113.4	113.7	121.2	102.9	112.4	104.9	108.2	67.0	182.0	116.2	90.1	144.7	184	159.3	173.2
June	111.1	114.2	114.5	123.3	102.2	112.8	106.0	109.5		174.0	115.9	89.8	146.4	186	160.6	173.7
July	112.2	115.3	115.7	125.5	102.2	114.3	106.8	110.6		165.0	116.4	89.7	148.7	190	162.3	175.7
Aug.	114.2	115.8	115.9	125.7	102.3	115.4	111.5	112.8	68.9	208.0	116.9	90.9	154.2	191	162.8	176.7
Sept.	116.2	116.9	116.9	126.8	102.8	116.6	115.1	114.7		157.0	117.4	92.0	157.0	189	163.6	177.7
Oct.	116.7	116.9	117.0	127.0	102.6	117.0	116.5	115.8		166.0	117.8	92.5	158.4	192	164.6	178.9
Nov.[r]	117.5	117.9	117.9	128.5	102.6	118.5	116.7	116.6	70.8	148.0	117.8	92.4	158.9	192	165.6	178.2
Dec.[r]	118.6	119.5	119.3	129.7	103.7	119.6	117.0	117.1		137.0	118.1	93.0	162.3	198	166.3	178.7
1976 - Jan.[p]	119.2	120.6	120.5	131.6	104.2	122.6	117.6	117.7	......	183.0	118.6	94.0	165.7	197	166.7	179.4
Feb.	119.9	120.9	120.7	132.6	104.2	122.5	118.5	118.6	......	......	119.0	94.4	165.0	......	......	179.4

[1] Employees only: excludes personnel in the Armed Forces.

[2] Production workers only. Revised back to 1973.

[3] F.R. index based on Census Bureau figures.

[4] Prices are not seasonally adjusted. Latest figure is final.

NOTE.—*All series:* Data are seasonally adjusted unless otherwise noted.

Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts: McGraw-Hill Informations Systems Company F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1973	1974[r]	1975												1976
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Total construction contracts [1]	**99,304**	**93,685**	**5,100**	**4,955**	**6,574**	**9,598**	**9,143**	**9,324**	**9,044**	**10,037**	**7,692**	**7,767**	**5,573**	**5,431**	**6,390**
By type of ownership:															
Public	26,563	32,062	2,254	2,031	2,182	2,768	2,875	3,891	3,784	3,040	2,725	2,544	1,597	1,724	1,655
Private [1]	72,741	61,623	2,846	2,924	4,393	6,830	6,268	5,432	5,260	6,997	4,967	5,223	3,976	3,708	4,734
By type of construction:															
Residential building [1]	45,696	33,567	1,562	1,583	2,316	3,029	3,073	3,116	3,093	2,784	2,966	3,189	2,404	2,233	2,157
Nonresidential building	31,534	33,131	2,233	2,199	2,402	2,987	2,877	3,169	3,165	2,666	2,526	2,629	1,859	1,865	1,939
Nonbuilding	22,074	26,987	1,305	1,172	1,856	3,582	3,193	3,040	2,786	4,587	2,200	1,949	1,309	1,334	2,294
Private housing units authorized (In thousands, S.A A.R.)	1,820	1,074	689	701	677	837	912	949	1,042	995	1,095	1,079	1,085	[r]1,028	1,138

[1] Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the McGraw-Hill Informations Systems Company, F.W. Dodge Division. Totals of monthly data may differ from annual totals because adjustments are made in accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public [2]				
		Total	Residential	Nonresidential					Total	Military	Highway	Conservation and development	Other
				Total	Buildings			Public Utilities and Other					
					Industrial	Commercial	Other buildings [1]						
1967 r	78,082	52,546	25,564	26,982	....	....	....	....	25,536	695	8,591	2,124	14,126
1968 r	87,093	59,488	30,565	28,923	6,021	7,761	4,382	10,759	27,605	808	9,321	1,973	15,503
1969 r	93,917	65,953	33,200	32,753	6,783	9,401	4,971	11,598	27,964	879	9,250	1,783	16,052
1970 r	94,855	66,759	31,864	34,895	6,518	9,754	5,125	13,498	28,096	718	9,981	1,908	15,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333	29,871	901	10,658	2,095	16,217
1972 r	124,085	93,901	54,288	39,613	4,676	13,464	5,898	15,575	30,184	1,087	10,429	2,172	16,496
1973 r	135,953	103,444	57,635	45,809	6,243	15,453	5,888	18,225	32,509	1,170	10,506	2,313	18,520
1974 r	135,481	97,079	47,044	50,035	7,902	15,945	5,797	20,391	38,402	1,185	12,083	2,782	22,352
1975	130,779	89,897	42,880	47,017	7,847	12,810	5,587	20,773	40,882	....	....	....	....
1975 Jan.	132,274	91,169	39,556	51,613	8,412	15,646	5,903	21,652	41,105	1,223	12,356	2,842	24,684
Feb.	128,862	89,023	38,523	50,500	8,724	14,971	5,883	20,922	39,839	1,319	11,993	3,329	23,198
Mar.	125,501	85,687	37,999	47,688	7,869	13,032	5,363	21,424	39,814	1,337	11,377	3,024	24,076
Apr.	121,027	84,742	37,574	47,168	7,500	12,765	5,636	21,267	36,285	1,473	10,963	2,769	21,080
May	121,698	84,252	38,531	45,721	8,197	12,109	5,268	20,147	37,446	1,180	12,227	3,132	20,907
June	126,884	84,982	40,431	44,551	7,677	11,756	5,415	19,703	41,902	1,120	12,538	3,481	24,763
July	128,776	88,143	43,330	44,813	7,714	11,978	5,319	19,802	40,633	1,309	12,536	3,417	23,371
Aug.	132,101	90,590	45,354	45,236	7,621	12,586	5,611	19,418	41,511	1,383	13,164	3,387	23,577
Sept.	137,102	92,524	45,972	46,552	7,889	12,431	5,843	20,389	44,578	1,662	14,152	3,442	25,322
Oct.	135,636	93,250	46,492	46,758	7,470	12,506	5,589	21,193	42,386	1,493	14,076	3,194	23,623
Nov.	137,791	95,773	47,536	48,237	7,750	12,634	5,771	22,082	42,018	1,661	14,413	3,569	22,375
Dec.	139,647	96,182	48,479	47,703	7,548	12,401	5,611	22,143	43,465	1,616	....	....	....
1976—Jan.	139,820	96,026	48,602	47,424	7,265	11,586	5,688	22,885	43,794	1,604	....	....	....

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[1] Includes religious, educational, hospital, institutional, and other buildings.

[2] By type of ownership, State and local accounted for 86 per cent of public construction expenditures in 1974.

NOTE.—Census Bureau data; monthly series at seasonally adjusted annual rates.

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts			Completions			Under construction (end of period)			Mobile home shipments	New 1-family homes sold and for sale [1]			
											Units		Median prices (in thousands of dollars) of units	
	Total	1-family	2-or-more family	Total	1-family	2-or-more family	Total	1-family	2-or-more family		Sold	For sale (end of period)	Sold	For sale
1966	1,165	779	386	....	....	....	....	....	....	217	461	196	21.4	22.8
1967	1,292	844	448	....	....	....	....	....	....	240	487	190	22.7	23.6
1968	1,508	899	608	1,320	859	461	....	....	....	318	490	218	24.7	24.6
1969	1,467	811	656	1,399	807	591	885	350	535	413	448	228	25.6	27.0
1970	1,434	813	621	1,418	802	617	922	381	541	401	485	227	23.4	26.2
1971	2,052	1,151	901	1,706	1,014	692	1,254	505	749	497	656	294	25.2	25.9
1972	2,357	1,309	1,047	1,971	1,143	828	1,586	640	947	576	718	416	27.6	28.3
1973	2,045	1,132	913	2,014	1,174	840	1,599	583	1,016	567	620	456	32.5	32.9
1974	1,338	888	450	1,692	931	760	1,189	516	673	r329	501	407	35.9	36.2
1975	1,161	892	268	1,292	865	428	1,023	535	488	216	545	383	39.2	....
1975—Jan. r	1,005	748	257	1,535	964	571	1,188	529	660	185	404	404	37.2	36.4
Feb. r	953	722	231	1,320	770	550	1,156	525	631	219	411	409	37.9	36.6
Mar. r	986	763	223	1,305	734	571	1,118	521	598	199	463	396	38.8	36.5
Apr. r	982	774	208	1,211	756	455	1,087	515	573	194	570	388	39.2	36.7
May r	1,085	853	232	1,276	832	444	1,060	513	546	224	586	383	39.5	36.9
June r	1,080	874	206	1,165	785	380	1,045	517	528	210	556	378	37.9	37.2
July r	1,207	916	291	1,269	901	368	1,039	521	518	225	553	383	38.6	37.4
Aug. r	1,264	979	285	1,267	881	386	1,036	528	507	235	576	379	38.2	37.8
Sept. r	1,304	966	338	1,291	969	322	1,037	532	505	215	569	383	39.7	38.2
Oct. r	1,431	1,093	338	1,118	741	377	1,061	560	504	229	596	388	40.7	....
Nov.	1,381	1,048	333	1,445	1,016	429	1,051	556	495	232	664	379	41.1	....
Dec.	1,291	966	325	1,291	982	309	1,059	563	496	228	645	379	42.4	....
1976—Jan. p	1,221	958	263	....	....	....	....	....	....	....	....	....	....	....

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[1] Merchant builders only.

NOTE.—All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufacturers' Assn. and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total noninstitutional population (N.S.A.)	*Not in* labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate[2] (per cent; S.A.)
				Total	*Employed*[1]			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1970	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971	142,596	55,666	86,929	84,113	^{r}79,119	75,732	3,387	^{r}4,994	5.9
1972	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973	148,263	57,222	^{r}91,042	88,716	^{r}84,410	80,957	^{r}3,453	^{r}4,306	4.9
1974	150,827	57,587	93,240	91,011	85,935	82,443	3,492	5,076	5.6
1975	153,449	58.655	94.793	92,613	84,784	81,403	3,381	7,830	8.5
1975 Feb.^{r}	152.445	59,333	93,721	91,523	84,163	80,911	3,352	7,360	8.0
Mar.^{r}	152,646	59.053	94,078	91,880	84,110	80,842	3,268	7,770	8.5
Apr.^{r}	152,840	59,276	94.449	92,254	84,313	81.012	3,301	7,941	8.6
May^{r}	153,051	59,101	94.950	92,769	84,519	80,991	3,528	8,250	8.9
June^{r}	153,278	57.087	94.747	92,569	84.498	81,148	3,350	8,071	8.7
July^{r}	153.585	56.540	95.249	93,063	84.967	81,528	3,439	8,096	8.7
Aug.^{r}	153,824	57,331	95.397	93,212	85,288	81,824	3,464	7,924	8.5
Sept.^{r}	154,052	59,087	95,298	93.128	85,158	81,646	3,512	7,970	8.6
Oct.^{r}	154,256	58,825	95,377	93,213	85.151	81,743	3,408	8.062	8.6
Nov.^{r}	154,476	59.533	95,272	93,117	85.178	81,877	3,301	7.939	8.5
Dec.^{r}	154,700	59.812	95,286	93,129	85,394	82,158	3,236	7,735	8.3
1976 Jan.	154,915	60.110	95,624	93,484	86,194	82,851	3.343	7.290	7.8
Feb.	155,106	60,163	95,601	93,455	86,319	83,149	3.170	7.136	7.6

[1] Includes self-employed, unpaid family, and domestic service workers.

[2] Per cent of civilian labor force.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Government
1970	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973	76,896	20,068	644	4,015	4,644	16,674	4,091	13,021	13,739
1974	78,413	20.046	694	3,957	4,696	17,017	4,208	13,617	14,177
1975	76,987	18.342	745	3.462	4,499	16.949	4,473	13,996	14,771
SEASONALLY ADJUSTED									
1975 Feb.	76,804	18.375	724	3,592	4.565	16,879	4.210	13,865	14,594
Mar.	76,468	18,226	729	3,467	4.506	16,851	4,207	13,864	14,618
Apr.	76.462	18.155	732	3,441	4,508	16,847	4,209	13,878	14,692
May	76.510	18.162	738	3,439	4,491	16,857	4,208	13,889	14,726
June	76,343	18.100	741	3,392	4.469	16,877	4,202	13,871	14,691
July	76,679	18.084	743	3,395	4,464	16,984	4,203	13,990	14,816
Aug.	77,023	18,254	749	3,415	4,466	17,016	4,218	14,054	14,855
Sept.	77,310	18,417	752	3,432	4,467	17,045	4,239	14,113	14,845
Oct.	77,555	18,493	774	3,402	4,476	17,043	4,246	14,157	14,964
Nov.	77,574	18,482	766	3,409	4.496	17,010	4,248	14,188	14,975
Dec.	77.796	18.568	769	3.406	4.477	17,080	4,264	14,229	15.003
1976 Jan.^{p}	78,137	18.724	760	3,434	4.490	17,211	4.269	14,284	14,965
Feb.^{p}	78,344	18.766	762	3,375	4.518	17,308	4.268	14,354	14,993
NOT SEASONALLY ADJUSTED									
1975—Feb.	75,772	18.165	714	3,208	4.492	16,493	4,172	13,699	14,829
Mar.	75,778	18.037	719	3,197	4.470	16,530	4,178	13,753	14,894
Apr.	76.177	18,000	726	3,310	4.472	16.691	4,192	13,878	14,908
May	76,689	18.071	740	3,439	4,487	16,819	4,208	13,986	14,939
June	77,183	18.255	756	3.555	4.523	16,971	4,248	14,079	14,796
July	76,439	18.007	758	3,605	4,504	16,936	4,266	14,144	14,219
Aug.	76,900	18,450	763	3,688	4,493	16,959	4,273	14,162	14,112
Sept.	77,614	18,694	758	3,659	4,503	17,084	4,243	14,113	14,560
Oct.	78,193	18,687	763	3,620	4,503	17,136	4,238	14,185	15,061
Nov.	78,339	18.635	763	3,522	4,509	17,313	4.235	14,174	15,188
Dec.	78,527	18.584	763	3,338	4,477	17,737	4,243	14,158	15.227
1976 Jan.^{p}	77,045	18.492	752	3,067	4,436	17,004	4,226	14,027	15,041
Feb.^{p}	77,316	18.549	759	3,014	4,446	16,908	4,230	14,182	15,236

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of Armed Forces are excluded.

Beginning with 1973, series has been adjusted to Mar. 1974 benchmark.

CONSUMER PRICES

(1967 = 100)

Period	All items	Food	Housing						Apparel and upkeep	Transportation	Health and recreation				
			Total	Rent	Home-ownership	Fuel oil and coal	Gas and electricity	Furnishings and operation			Total	Medical care	Personal care	Reading and recreation	Other goods and services
1929	51.3	48.3	......	76.0	......	......	......	......	48.5	......	......	......	......	......	......
1933	38.8	30.6	......	54.1	......	......	......	......	36.9	......	......	......	......	......	......
1941	44.1	38.4	53.7	57.2	......	40.5	81.4	......	44.8	44.2	......	37.0	41.2	47.7	49.2
1945	53.9	50.7	59.1	58.8	......	48.0	79.6	......	61.5	47.8	......	42.1	55.1	62.4	56.9
1960	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	89.6	89.6	85.1	79.1	90.1	87.3	87.8
1965	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2
1966	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6
1969	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1
1970	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	116.0
1971	121.3	118.4	124.3	115.2	133.7	117.5	114.7	118.1	119.8	118.6	122.2	128.4	116.8	119.3	120.9
1972	125.3	123.5	129.2	119.2	140.1	118.5	120.5	121.0	122.3	119.9	126.1	132.5	119.8	122.8	125.5
1973	133.1	141.4	135.0	124.3	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	129.0
1974	147.7	161.7	150.6	130.6	163.2	214.6	145.8	140.5	136.2	137.7	140.3	150.5	137.3	133.8	137.2
1975	161.2	175.4	166.8	137.3	181.7	235.3	169.6	158.1	142.3	150.6	153.5	168.6	150.7	144.4	147.4
1975 Jan.	156.1	170.9	161.2	134.0	175.6	228.9	160.2	153.2	139.4	143.2	148.9	161.0	146.5	141.0	144.8
Feb.	157.2	171.6	162.7	135.1	177.3	229.5	162.7	154.7	140.2	143.5	150.2	163.0	147.8	141.8	145.9
Mar.	157.8	171.3	163.6	135.5	178.2	228.3	164.0	155.6	140.9	144.8	151.1	164.6	148.9	142.0	146.5
Apr.	158.6	171.2	164.7	135.9	179.4	229.0	166.3	156.8	141.3	146.2	152.1	165.8	149.5	143.5	146.8
May	159.3	171.8	165.3	136.4	180.1	230.2	167.3	157.4	141.8	147.4	152.6	166.8	149.9	143.8	147.1
June	160.6	174.4	166.4	136.9	181.4	230.6	169.4	158.1	141.4	149.8	153.2	168.1	150.3	144.1	147.3
July	162.3	178.6	167.1	137.3	182.3	234.1	170.4	158.3	141.1	152.6	154.0	169.8	151.2	144.4	147.6
Aug.	162.8	178.1	167.7	138.0	182.8	235.7	171.2	158.8	142.3	151.6	154.6	170.9	151.4	144.7	148.1
Sept.	163.6	177.8	168.9	138.4	183.9	238.7	174.0	160.1	143.5	155.4	155.4	172.2	152.1	146.0	148.0
Oct.	164.6	179.0	169.8	139.3	184.8	243.3	174.2	160.9	144.6	156.1	156.3	173.5	152.9	146.6	148.5
Nov.	165.6	179.8	171.3	139.9	186.8	246.5	176.8	161.6	145.5	157.4	156.5	173.3	153.6	147.0	148.9
Dec.	166.3	180.7	172.2	140.6	187.8	248.7	179.0	162.0	145.2	157.6	157.5	174.7	154.6	147.5	149.8
1976 Jan.	166.7	180.8	173.2	141.2	188.8	248.9	179.5	163.7	143.3	158.1	158.6	176.6	155.7	148.2	150.5

Note.—*Bureau of Labor Statistics index for city wage earners and clerical workers.*

WHOLESALE PRICES: SUMMARY

(1967 = 100, except as noted)

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities													
				Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Nonmetallic minerals	Transportation equipment[1]	Miscellaneous
1960	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2	......	93.0
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5	......	95.9
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4	......	97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	......	100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7	......	102.2
1969	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	107.5	113.3	104.5	109.9
1971	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2	109.2	127.0	110.1	119.0	115.5	109.9	122.4	110.3	112.8
1972	119.1	125.0	120.8	117.9	113.6	131.3	118.6	104.2	109.3	144.3	113.4	123.5	117.9	111.4	126.1	113.8	114.6
1973	134.7	176.3	148.1	125.9	123.8	143.1	134.3	110.0	112.4	177.2	122.1	132.8	121.7	115.2	130.2	115.1	119.7
1974	160.1	187.7	170.9	153.8	139.1	145.1	208.3	146.8	136.2	183.6	151.7	171.9	139.4	127.9	153.2	125.5	133.1
1975	174.9	186.7	182.6	171.5	137.9	148.5	245.1	181.3	150.2	176.9	170.4	185.6	161.4	139.7	174.0	141.5	147.7
1975—Feb.	171.3	174.6	182.6	168.4	136.5	141.7	232.3	178.1	150.0	169.3	169.8	186.3	157.7	139.1	170.3	138.2	146.4
Mar.	170.4	171.1	177.3	168.9	134.3	143.2	233.0	181.8	149.7	169.6	170.0	186.1	158.8	138.5	170.8	139.5	146.8
Apr.	172.1	177.7	179.4	169.7	134.4	147.5	236.5	182.4	149.4	174.9	169.7	185.7	159.7	138.5	173.0	139.9	147.3
May	173.2	184.5	179.0	170.3	135.2	147.7	238.8	182.1	148.9	183.0	169.8	185.1	160.4	138.6	173.1	139.9	147.5
June	173.7	186.2	179.7	170.7	135.9	148.7	243.0	181.2	148.6	181.0	169.8	184.5	161.0	139.0	173.3	140.1	147.5
July	175.7	193.7	184.6	171.2	136.8	149.3	246.6	181.4	150.1	179.6	170.0	183.4	161.7	139.2	174.7	140.1	147.7
Aug.	176.7	193.2	186.3	172.2	137.6	149.3	252.4	182.1	150.0	179.7	170.0	184.3	162.2	139.8	175.8	140.5	147.8
Sept.	177.7	197.1	186.1	173.1	138.4	151.3	254.9	182.2	150.8	179.9	170.3	185.5	163.1	140.1	176.1	141.1	148.2
Oct.	178.9	197.3	186.2	174.7	141.3	152.4	256.5	182.3	151.5	179.1	170.9	187.2	164.1	141.1	177.1	146.6	147.6
Nov.	178.2	191.7	182.6	175.4	143.2	154.4	257.0	182.9	151.8	178.3	171.3	187.0	165.3	141.5	177.7	147.2	148.6
Dec.	178.7	193.8	181.0	176.1	144.0	154.6	258.0	183.4	151.9	183.1	173.1	187.1	165.8	142.0	178.0	147.5	151.1
1976 Jan.	179.4	192.8	179.4	177.3	145.1	157.5	257.3	184.2	152.4	190.5	174.8	188.1	167.0	143.1	181.1	148.7	151.8
Feb.	179.4	191.0	176.4	178.1	146.3	159.9	255.7	184.9	154.2	196.0	175.8	189.8	167.7	143.4	181.3	148.8	152.1

[1] Dec. 1968 = 100.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1974	1975			
							IV	I	II	III	IV
Gross national product	286.2	982.4	1,171.1	1,306.3	1,406.9	1,498.8	1,441.3	1,433.6	1,460.6	1,528.5	1,572.5
Final purchases	*279.4*	*978.6*	*1,161.7*	*1,288.8*	*1,397.2*	*1,513.4*	*1,430.9*	*1,458.4*	*1,490.2*	*1,530.6*	*1,574.4*
Personal consumption expenditures	192.0	618.8	733.0	808.5	885.9	963.8	908.4	926.4	950.3	977.4	1.001.0
Durable goods	30.8	84.9	111.2	122.9	121.9	128.1	117.3	118.9	123.8	131.8	137.6
Nondurable goods	98.2	264.7	299.3	334.4	375.7	409.8	387.1	394.1	404.8	416.4	423.7
Services	63.0	269.1	322.4	351.3	388.3	426.0	404.0	413.4	421.6	429.2	439.7
Gross private domestic investment	53.8	140.8	188.3	220.5	212.2	182.6	210.3	168.7	161.4	194.9	205.4
Fixed investment	*47.0*	*137.0*	*178.8*	*203.0*	*202.5*	*197.3*	*199.8*	*193.5*	*191.1*	*197.1*	*207.4*
Nonresidential	*27.1*	*100.5*	*116.8*	*136.5*	*147.9*	*148.5*	*151.1*	*149.3*	*146.1*	*146.7*	*151.9*
Structures	9.3	37.7	42.5	49.0	54.4	52.7	50.1	54.9	51.1	51.2	53.6
Producers' durable equipment	17.8	62.8	74.3	87.5	93.5	95.8	95.0	94.4	95.0	95.6	98.3
Residential structures	19.9	36.6	62.0	66.5	54.6	48.7	48.7	44.2	45.0	50.4	55.4
Nonfarm	18.7	35.1	60.3	64.7	52.2	46.8	46.3	42.6	43.1	48.2	53.3
Change in business inventories	6.8	3.8	9.4	17.5	9.7	−14.6	10.4	−24.8	−29.6	−2.1	−2.0
Nonfarm	6.0	3.7	8.8	14.1	11.6	−16.5	13.7	−23.3	−29.6	−5.7	−7.5
Net exports of goods and services	1.9	3.9	−3.3	7.4	7.7	21.2	8.2	17.3	24.2	22.1	21.2
Exports	13.9	62.5	72.7	101.5	144.2	147.7	153.6	148.2	140.7	148.5	153.5
Imports	12.0	58.5	75.9	94.2	136.5	126.5	145.3	130.9	116.4	126.4	132.2
Government purchases of goods and services	38.5	218.9	253.1	269.9	301.1	331.2	314.4	321.2	324.7	334.1	344.8
Federal	*18.7*	*95.6*	*102.1*	*102.0*	*111.7*	*123.2*	*118.2*	*119.4*	*119.2*	*124.2*	*129.0*
National defense	14.0	73.5	73.5	73.4	77.4	84.0	80.5	81.4	82.1	84.9	87.4
Other	4.7	22.1	28.6	28.6	34.3	39.2	37.7	38.0	37.1	39.3	42.5
State local	19.8	123.2	151.0	168.0	189.4	208.0	196.3	201.9	205.5	209.9	214.8
Gross national product in 1972 dollars	533.5	1,075.3	1,171.1	1,233.4	1,210.7	1,186.0	1,186.8	1,158.6	1,168.1	1,201.5	1,215.9

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business*, Jan. 1976.

NATIONAL INCOME

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975ᵖ	1974	1975			
							IV	I	II	III	IVᵖ
National income	236.2	798.4	951.9	1,067.3	1,141.1	1,209.7	1,161.3	1,155.2	1,180.8	1,232.5	......
Compensation of employees	154.8	609.2	715.1	797.7	873.0	921.4	898.1	897.1	905.4	928.2	955.1
Wages and salaries	*147.0*	*546.5*	*633.8*	*700.9*	*763.1*	*801.6*	*783.6*	*781.0*	*787.6*	*807.3*	*830.7*
Private	124.4	430.5	496.2	552.3	603.0	627.7	617.7	611.7	615.0	631.9	650.5
Military	5.3	20.7	22.0	22.1	22.3	23.0	23.0	22.9	22.8	22.8	23.6
Government civilian	17.4	95.3	115.6	126.5	137.7	151.0	143.0	146.4	149.7	152.6	156.5
Supplements to wages and salaries	*7.8*	*62.7*	*81.4*	*96.8*	*110.0*	*119.8*	*114.4*	*116.1*	*117.8*	*120.9*	*124.4*
Employer contributions for social insurance	4.2	30.7	39.4	49.3	55.5	58.5	56.9	57.1	57.5	58.9	60.6
Other labor income	3.7	32.0	42.0	47.5	54.5	61.3	57.6	59.0	60.3	62.0	63.8
Proprietors' income with inventory valuation and capital consumption adjustments	38.4	65.1	76.1	91.7	85.1	83.3	83.6	79.6	78.6	88.0	87.0
Business and professional	24.9	51.2	58.1	59.3	59.5	58.7	59.0	58.6	58.5	58.7	58.9
Farm	13.5	13.9	18.0	32.4	25.6	24.6	24.6	21.0	20.1	29.3	28.2
Rental income of persons with capital consumption adjustment	7.1	18.6	21.5	21.3	21.0	21.1	20.9	20.8	20.5	20.9	22.0
Corporate profits and inventory valuation adjustment and without capital consumption adjustment	37.6	66.4	89.6	98.6	93.6	107.9	86.1	83.4	101.6	119.6	....
Profits before tax	*42.6*	*71.5*	*96.2*	*117.0*	*132.1*	*119.1*	*123.9*	*97.1*	*108.2*	*129.5*	....
Profits tax liability	17.9	34.5	41.5	48.2	52.6	46.7	49.2	37.5	41.6	50.7	....
Profits after tax	*24.7*	*37.0*	*54.6*	*68.8*	*79.5*	*72.5*	*74.7*	*59.6*	*66.6*	*78.8*	....
Dividends	8.8	22.9	24.6	27.8	31.1	32.8	31.7	32.1	32.6	33.5	33.1
Undistributed profits	15.9	14.1	30.0	40.9	48.4	39.6	43.0	27.5	34.0	45.3	....
Inventory valuation adjustment	−5.0	−5.1	−6.6	−18.4	−38.5	11.2	−37.7	−13.7	−6.6	−9.9	−14.7
Capital consumption adjustment	−4.0	1.5	2.5	1.6	−2.3	5.7	−4.2	−4.5	5.0	−6.5	−6.6
Net interest	2.3	37.5	47.0	56.3	70.0	81.6	76.7	78.7	79.7	82.2	85.7

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1974	1975			
							IV	I	II	III	IV
Gross national product	286.2	982.4	1,171.1	1,306.3	1,406.9	1,498.8	1,441.3	1,433.6	1,460.6	1,528.5	1,572.5
Less: Capital consumption allowances with capital consumption adjustment	23.9	90.8	105.4	117.1	134.0	152.0	142.1	145.4	149.5	154.7	158.5
Indirect business tax and nontax liability	23.4	94.0	111.0	120.2	127.3	137.3	129.5	131.6	135.2	140.0	142.2
Business transfer payments	.8	4.0	4.7	5.2	5.8	6.3	6.0	6.2	6.3	6.4	6.5
Statistical discrepancy	2.0	-2.1	1.7	.4	-.6	-4.6	2.9	-3.2	-8.9	-3.2	......
Plus: Subsidies less current surplus of government enterprises	.1	2.7	3.6	3.7	.7	1.9	.4	1.6	2.2	1.9	1.9
Equals: National income	236.2	798.4	951.9	1,067.3	1,141.1	1,209.7	1,161.3	1,155.2	1,180.8	1,232.5	......
Less: Corporate profits with inventory valuation and capital consumption adjustments	33.7	67.9	92.1	100.2	91.3	102.3	82.0	78.9	96.6	113.1	......
Net interest	2.3	37.5	47.0	56.3	70.7	81.6	76.7	78.7	79.7	82.2	85.7
Contributions for social insurance	7.1	58.7	73.6	91.5	102.9	108.3	105.0	106.0	106.6	108.9	111.8
Wage accruals less disbursements	......	......	......	-.1	-.5	......	......	......	......	......	......
Plus: Government transfer payments to persons	14.4	75.9	99.4	113.5	134.5	168.7	145.5	157.7	169.4	172.4	175.2
Personal interest income	8.9	64.3	74.6	88.4	106.5	120.5	114.0	116.0	117.6	121.2	127.4
Dividends	8.8	22.9	24.6	27.8	31.1	32.8	31.7	32.1	32.6	33.5	33.1
Business transfer payments	.8	4.0	4.7	5.2	5.8	6.3	6.0	6.2	6.3	6.4	6.5
Equals: Personal income	226.1	801.3	942.5	1,054.3	1,154.7	1,245.9	1,194.8	1,203.6	1,223.8	1,261.7	1,294.5
Less: Personal tax and nontax payments	20.6	115.3	141.2	151.2	171.2	169.2	178.9	179.6	142.1	174.6	180.5
Equals: Disposable personal income	205.5	685.9	801.3	903.1	983.6	1,076.7	1,015.9	1,024.0	1,081.7	1,087.1	1,114.0
Less: Personal outlays	194.7	635.4	751.9	830.4	909.5	987.8	932.4	950.4	974.2	1,001.3	1,025.4
Personal consumption expenditures	192.0	618.8	733.0	808.5	885.9	963.8	908.4	926.4	950.3	977.4	1,001.0
Interest paid by consumer to business	2.3	15.5	17.9	20.6	22.6	23.1	23.0	23.0	22.8	23.0	23.4
Personal transfer payments to foreigners (Net)	.4	1.1	1.0	1.2	1.0	1.0	1.0	1.0	1.1	.9	1.0
Equals: Personal saving	10.8	50.6	49.4	72.7	74.0	88.9	83.6	73.6	107.5	85.9	88.6
Disposable personal income in (1972) dollars	361.9	741.6	801.3	856.0	843.5	856.7	837.6	831.6	869.8	858.2	867.3

NOTE.—Dept. of Commerce estimates. Quarterly data seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1974	1975	1975												1976
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.^{p}
Total personal income	1154.7	1245.9	1202.6	1203.2	1205.0	1209.0	1217.2	1245.2	1244.0	1262.4	1278.7	1287.4	1295.9	1300.2	1313.8
Wage and salary disbursements	763.6	801.6	782.1	779.1	781.7	782.7	787.4	792.7	797.4	808.8	815.6	824.1	831.2	836.8	846.6
Commodity-producing industries	273.7	273.6	271.7	266.1	265.9	265.8	267.0	268.8	270.9	275.6	279.5	281.7	283.2	286.9	290.6
Manufacturing only	*211.2*	*211.2*	*207.8*	*204.3*	*204.4*	*204.9*	*205.6*	*207.2*	*208.8*	*213.2*	*216.6*	*218.7*	*219.7*	*223.3*	*226.1*
Distributive industries	184.3	195.1	189.9	190.2	190.7	190.9	191.7	192.9	193.9	197.7	198.2	200.2	202.4	202.9	206.4
Service industries	145.0	158.6	152.4	153.5	154.6	154.5	156.1	157.4	158.2	160.3	161.5	163.1	165.3	165.7	167.7
Government	160.6	174.3	168.1	169.3	170.5	171.5	172.6	173.6	174.4	175.2	176.4	179.0	180.3	181.2	182.0
Other labor income	54.5	61.3	58.6	59.0	59.4	59.8	60.3	60.8	61.4	62.0	62.6	63.2	63.8	64.4	65.1
Proprietors' income with inventory valuation and capital consumption adjustments	85.1	83.3	82.8	79.5	76.5	77.0	78.7	80.3	84.5	88.0	91.5	89.4	87.1	84.7	84.6
Business and professional	59.5	58.7	58.8	58.5	58.6	58.5	58.6	58.6	58.7	58.7	58.8	58.9	58.8	58.9	59.3
Farm	25.6	24.6	24.0	21.0	17.9	18.5	20.1	21.7	25.8	29.3	32.7	30.5	28.3	25.8	25.3
Rental income of persons with capital consumption adjustment	21.0	21.1	20.9	20.8	20.8	20.7	20.5	20.2	20.5	21.0	21.3	21.8	22.0	22.2	22.5
Dividends	31.1	32.8	32.1	32.1	32.1	32.4	32.6	32.9	33.2	33.5	33.9	33.8	33.8	31.7	33.4
Personal interest income	106.5	120.5	115.9	116.0	116.1	116.6	117.5	118.6	119.7	121.2	122.9	125.1	127.9	129.0	130.7
Transfer payments	140.4	175.0	159.0	165.4	167.2	168.6	169.3	189.0	176.8	178.1	181.3	180.6	181.4	182.9	184.2
Less: Personal contributions for social insurance	47.4	49.8	48.9	48.8	48.9	48.9	49.1	49.3	49.5	50.0	50.4	50.7	51.2	51.6	53.2
Nonagricultural income	1119.1	1210.2	1167.6	1171.3	1176.2	1179.7	1186.2	1212.5	1207.2	1222.1	1234.8	1245.6	1256.3	1262.9	1276.9
Agricultural income	35.6	35.7	35.0	31.9	28.8	29.3	31.0	32.7	36.8	40.3	43.9	41.8	39.7	37.3	36.9

NOTE. Dept. of Commerce estimates. Monthly data seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

SUMMARY OF FUNDS RAISED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1975		
												H1	H2	
		Credit market funds raised by nonfinancial sectors												
1	**Total funds raised by nonfinancial sectors**	**67.9**	**82.4**	**96.0**	**91.8**	**98.2**	**147.4**	**169.4**	**187.4**	**180.1**	**197.3**	**182.6**	**212.0**	1
2	***Excluding equities***	**66.9**	**80.0**	**96.0**	**87.9**	**92.4**	**135.9**	**158.9**	**180.1**	**176.2**	**187.7**	**172.1**	**203.2**	2
3	U.S. Government	3.6	13.0	13.4	-3.7	12.8	25.5	17.3	9.7	12.0	85.2	83.9	86.5	3
4	Public debt securities	2.3	8.9	10.4	-1.3	12.9	26.0	13.9	7.7	12.0	85.8	85.1	86.6	4
5	Agency issues and mortgages	1.3	4.1	3.1	-2.4	-.1	-.5	3.4	2.0	*	-.6	1.2	-.1	5
6	**All other nonfinancial sectors**	**64.3**	**69.4**	**82.6**	**95.5**	**85.4**	**121.9**	**152.1**	**177.7**	**168.1**	**112.0**	**98.6**	**125.5**	6
7	Corporate equities	1.0	2.4	*	3.9	5.8	11.5	10.5	7.2	3.8	9.6	10.5	8.7	7
8	*Debt instruments*	*63.3*	*67.0*	*82.6*	*91.6*	*79.7*	*110.4*	*141.6*	*170.4*	*164.2*	*102.5*	*88.2*	*116.7*	8
9	***Private domestic Nonfinancial sectors***	**62.7**	**65.4**	**79.7**	**91.8**	**82.7**	**117.3**	**147.8**	**170.1**	**152.7**	**100.0**	**89.1**	**110.9**	9
10	Corporate equities	1.3	2.4	-.2	3.4	5.7	11.4	10.9	7.4	4.1	9.5	10.3	8.7	10
11	*Debt instruments*	*61.5*	*63.0*	*79.9*	*88.4*	*77.0*	*105.8*	*136.9*	*162.7*	*148.6*	*90.5*	*78.8*	*102.2*	11
12	Debt capital instruments	38.2	44.5	49.5	49.6	56.7	83.2	93.8	96.1	92.9	94.9	101.0	88.8	12
13	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4	17.1	13.7	13
14	Corporate bonds	10.2	14.7	12.9	12.0	19.8	18.8	12.2	9.2	19.7	27.0	35.3	18.8	14
15	*Home mortgages*	*11.7*	*11.5*	*15.1*	*15.7*	*12.8*	*26.1*	*39.6*	*43.3*	*31.7*	*35.9*	*32.5*	*39.3*	15
16	*Multifamily residential mortgages*	*3.1*	*3.6*	*3.4*	*4.7*	*5.8*	*8.8*	*10.3*	*8.4*	*7.8*	*3.6*	*2.7*	*4.5*	16
17	*Commercial mortgages*	*5.7*	*4.7*	*6.4*	*5.3*	*5.3*	*10.6*	*14.8*	*17.0*	*11.5*	*8.4*	*8.5*	*8.4*	17
18	*Farm mortgages*	*1.8*	*2.3*	*2.2*	*1.9*	*1.8*	*2.0*	*2.6*	*4.4*	*4.9*	*4.5*	*4.9*	*4.1*	18
19	Other debt instruments	23.3	18.5	30.4	38.8	20.3	22.6	43.0	66.6	55.6	-4.4	-22.2	13.4	19
20	Consumer credit	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	5.3	-1.5	12.1	20
21	Bank loans n.e.c.	10.9	9.8	13.6	15.5	6.7	7.8	18.9	35.8	27.3	-12.6	21.3	-3.8	21
22	Open-market paper	1.1	1.7	1.8	3.0	3.0	-1.2	-.5	-.4	6.6	-1.6	-1.5	-1.7	22
23	Other	5.0	2.6	5.0	9.9	4.6	4.8	5.5	8.3	12.1	4.5	2.2	6.7	23
24	By borrowing sector:	62.7	65.4	79.7	91.8	82.7	117.3	147.8	170.1	152.7	100.0	89.1	110.9	24
25	State and local governments	6.3	7.9	9.8	10.7	11.3	17.8	14.2	12.3	16.6	13.2	14.8	11.7	25
26	Households	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	44.0	43.3	37.4	49.2	26
27	Farm	3.1	3.6	2.8	3.2	3.2	4.1	4.9	8.6	7.8	6.7	6.3	7.1	27
28	Nonfarm noncorporate	5.4	5.0	5.6	7.4	5.3	8.7	10.4	9.3	7.2	2.5	-.3	5.4	28
29	Corporate	25.3	29.6	31.6	38.9	39.5	46.8	55.3	67.2	77.1	34.2	30.9	37.5	29
30	***Foreign***	**1.5**	**4.0**	**2.8**	**3.7**	**2.7**	**4.6**	**4.3**	**7.5**	**15.4**	**12.0**	**9.5**	**14.6**	30
31	Corporate equities	-.3	.1	.2	.5	.1	*	-.4	-.2	-.3	.1	.1	*	31
32	*Debt instruments*	*1.8*	*4.0*	*2.7*	*3.2*	*2.7*	*4.6*	*4.7*	*7.7*	*15.7*	*12.0*	*9.3*	*14.6*	32
33	Bonds	.7	1.2	1.1	1.0	.9	.9	1.0	1.0	2.2	6.1	5.9	6.4	33
34	Bank loans n.e.c.	-.2	-.3	-.5	-.2	-.3	1.6	2.9	2.8	4.7	3.7	1.3	6.1	34
35	Open-market paper	-.1	.5	-.2	.3	.8	.3	-1.0	2.2	7.1	-.5	1.2	.1	35
36	U.S. Government loans	1.3	2.6	2.2	2.1	1.3	1.8	1.8	1.7	1.7	2.7	3.4	1.9	36
37	Memo: U.S. Govt. cash balance	-.4	1.2	-1.1	.4	2.8	3.2	-.3	-1.7	-4.6	2.9	2.8	2.9	37
	Totals net of changes in U.S. Govt. cash balances													
38	Total funds raised	68.3	81.3	97.1	91.4	95.5	144.2	169.7	189.0	184.7	194.4	179.7	209.0	38
39	By U.S. Government	4.0	11.8	14.6	-4.1	10.0	22.3	17.6	11.4	16.6	82.3	81.1	83.5	39
		Credit market funds raised by financial sectors												
1	**Total funds raised by financial sectors**	**11.7**	**2.0**	**18.3**	**33.7**	**12.6**	**16.5**	**28.9**	**52.0**	**38.0**	**11.3**	**5.3**	**17.3**	1
2	Sponsored credit agencies	4.8	-.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	10.3	9.1	11.6	2
3	U.S. Government securities	5.1	-.6	3.2	9.1	8.2	3.8	6.2	19.6	21.4	10.1	8.0	12.2	3
4	Loans from U.S. Government	-.2	-.1	.2	-.3	......	......	......	......	.7	.2	1.1	-.6	4
5	Private financial sectors	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	15.9	1.0	-3.8	5.7	5
6	Corporate equities	3.7	3.0	6.4	6.1	4.6	3.3	2.4	.8	1.7	1.9	2.1	1.7	6
7	*Debt instruments*	*3.2*	*-.4*	*8.5*	*18.8*	*-.3*	*9.3*	*20.3*	*31.6*	*14.2*	*-.9*	*-5.9*	*4.0*	7
8	Corporate bonds	.9	1.3	1.1	1.5	3.1	5.1	7.0	2.3	1.4	1.3	1.6	1.1	8
9	Mortgages	-.9	1.0	.4	.2	.7	2.1	1.7	-1.2	-1.3	2.3	2.0	2.6	9
10	Bank loans n.e.c.	-1.0	-2.0	2.5	2.3	-.5	3.0	6.8	13.5	7.5	-4.0	-6.0	-2.1	10
11	Open-market paper and RP's	3.3	1.9	3.6	10.7	-5.0	1.8	4.9	9.8	-.1	3.4	4.6	2.3	11
12	Loans from FHLB's	.9	-2.5	.9	4.0	1.3	-2.7	*	7.2	6.7	-3.9	-8.1	.2	12
13	**Total funds raised, by sector**	**11.7**	**2.0**	**18.3**	**33.7**	**12.6**	**16.5**	**28.9**	**52.0**	**38.0**	**11.3**	**5.3**	**17.3**	13
14	Sponsored credit agencies	4.8	-.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	10.3	9.1	11.6	14
15	Private financial sectors	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	15.9	1.0	-3.8	5.7	15
16	Commercial banks	-.1	.1	1.2	1.4	-3.1	2.5	4.0	4.5	-1.9	3.8	4.6	2.9	16
17	Bank affiliates	......	......	......	4.2	-1.9	-.4	.7	2.2	2.4	.2	.9	-.5	17
18	Foreign banking agencies	.1	*	.1	.2	.1	1.6	.8	5.1	2.9	-1.0	-.9	-1.0	18
19	Savings and loan associations	.1	-1.7	1.1	4.1	1.8	-.1	2.0	6.0	6.3	-2.0	-8.0	3.9	19
20	Other insurance companies	.1	.1	.2	.5	.4	.6	.5	.5	.4	.7	.8	.7	20
21	Finance companies	3.1	1.2	5.7	8.3	1.6	4.2	9.3	9.4	3.9	-.5	2.1	1.1	21
22	REITS	......	......	.7	1.3	2.7	3.0	6.1	6.3	1.0	-1.7	1.8	1.6	22
23	Open-end investment companies	3.7	3.0	5.8	4.8	2.6	1.1	-.7	-1.6	1.0	1.5	2.7	.3	23
		Total credit market funds raised, all sectors, by type												
1	**Total funds raised**	**79.6**	**84.4**	**114.3**	**125.5**	**110.8**	**163.9**	**198.3**	**239.4**	**218.1**	**208.5**	**187.8**	**229.2**	1
2	Investment company shares	3.7	3.0	5.8	4.8	2.6	1.1	-.7	-1.6	1.0	1.5	2.7	.3	2
3	Other corporate equities	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.6	10.0	9.8	10.1	3
4	*Debt instruments*	*74.9*	*79.0*	*107.9*	*115.5*	*100.4*	*149.1*	*185.4*	*231.3*	*212.5*	*197.1*	*175.3*	*218.8*	4
5	U.S. Government securities	8.8	12.5	16.7	5.5	21.1	29.4	23.6	29.4	33.5	95.4	91.8	99.0	5
6	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4	17.1	13.7	6
7	Corporate and foreign bonds	11.8	17.2	15.0	14.5	23.8	24.8	20.2	12.5	23.3	34.5	42.8	26.2	7
8	Mortgages	21.3	23.0	27.4	27.8	26.4	48.9	68.8	71.9	54.5	54.6	50.7	58.6	8
9	Consumer credit	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	5.3	-1.5	12.1	9
10	Bank loans n.e.c.	9.7	7.5	15.7	17.6	5.8	12.4	28.5	52.1	39.5	12.9	-26.0	.2	10
11	Open-market paper and RP's	4.4	4.0	5.2	14.1	-1.2	.9	3.3	11.6	13.6	1.3	1.9	.7	11
12	Other loans	6.9	2.5	8.3	15.8	7.3	4.0	7.4	17.2	21.1	3.4	-1.4	8.3	12

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.

DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1975		
												H1	H2	
1	**Total funds advanced in credit markets to nonfinancial sectors**	**66.9**	**80.0**	**95.9**	**88.0**	**92.5**	**135.9**	**158.9**	**180.1**	**176.2**	**187.7**	**172.1**	**203.2**	1
	By public agencies and foreign													
2	***Total net advances***	**11.9**	**11.3**	**12.2**	**15.7**	**28.1**	**41.7**	**18.3**	**33.2**	**49.2**	**34.6**	**39.9**	**29.2**	2
3	U.S. Government securities	3.4	6.8	3.4	.7	15.9	33.8	8.4	11.0	8.6	17.2	28.3	6.2	3
4	Residential mortgages	2.8	2.1	2.8	4.6	5.7	5.7	5.2	7.6	13.8	17.0	16.3	17.8	4
5	FHLB advances to S&L's	.9	−2.5	.9	4.0	1.3	−2.7	*	7.2	6.7	3.9	8.1	.2	5
6	Other loans and securities	4.8	4.9	5.1	6.3	5.2	4.9	4.6	7.5	20.1	4.2	3.4	5.1	6
	By agency													
7	U.S. Government	4.9	4.6	4.9	2.9	2.8	3.2	2.6	3.0	7.4	10.6	10.9	10.2	7
8	Sponsored credit agencies	5.1	−.1	3.2	8.9	10.0	3.2	7.0	20.3	24.1	11.5	11.1	11.9	8
9	Monetary authorities	3.5	4.8	3.7	4.2	5.0	8.9	.3	9.2	6.2	8.5	7.0	10.1	9
10	Foreign	−1.6	2.0	.3	−.3	10.3	26.4	8.4	.7	11.6	3.9	10.9	−3.0	10
11	Agency borrowing not included in line 1	4.8	−.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	10.3	9.1	11.6	11
	Private domestic funds advanced													
12	**Total net advances**	**59.8**	**68.1**	**87.2**	**81.1**	**72.6**	**98.1**	**146.7**	**166.5**	**149.1**	**163.4**	**141.3**	**185.6**	12
13	U.S. Government securities	5.4	5.7	13.3	4.8	5.2	−4.4	15.2	18.4	24.9	78.1	63.5	92.8	13
14	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4	17.1	13.7	14
15	*Corporate and foreign bonds*	*10.3*	*16.0*	*13.8*	*12.5*	*20.0*	*19.5*	*13.2*	*10.1*	*20.6*	*33.3*	*41.1*	*25.5*	*15*
16	Residential mortgages	12.0	13.0	15.5	15.7	12.8	29.1	44.6	44.1	25.6	22.4	19.1	25.7	16
17	Other mortgages and loans	27.4	23.1	35.9	42.2	24.6	33.7	59.5	87.4	67.4	10.3	−7.5	28.1	17
18	Less: FHLB advances	.9	−2.5	.9	4.0	1.3	2.7	*	7.2	6.7	−3.9	8.1	.2	18
	Private financial intermediation													
19	*Credit market funds advanced by private financial institutions*	*45.4*	*63.5*	*75.3*	*55.3*	*74.9*	*110.7*	*153.4*	*158.8*	*131.5*	*121.7*	*115.3*	*128.1*	19
20	Commercial banks	17.5	35.9	38.7	18.2	35.1	50.6	70.5	86.6	64.6	26.6	16.8	36.3	20
21	Savings institutions	7.9	15.0	15.6	14.5	16.9	41.4	49.3	35.1	26.9	56.1	58.9	53.3	21
22	Insurance and pension funds	15.5	12.9	14.0	12.7	17.3	13.3	17.7	22.1	34.3	39.7	39.8	39.6	22
23	Other finance	4.5	−.3	7.0	9.9	5.7	5.3	15.8	15.0	5.7	.6	.1	1.0	23
24	*Sources of funds*	*45.4*	*63.5*	*75.3*	*55.3*	*74.9*	*110.7*	*153.4*	*158.8*	*131.5*	*121.7*	*115.3*	*128.1*	24
25	Private domestic deposits	22.5	50.0	45.9	2.6	63.2	90.3	97.5	84.9	76.5	94.3	105.4	83.1	25
26	Credit market borrowing	3.2	−.4	8.5	18.8	−.3	9.3	20.3	31.6	14.2	.9	−5.9	4.0	26
27	Other sources	19.8	13.9	21.0	34.0	12.0	11.0	35.5	42.4	40.8	28.4	15.8	41.0	27
28	Foreign funds	3.7	2.3	2.6	9.3	−8.5	3.2	5.2	6.5	13.6	.2	8.0	8.5	28
29	Treasury balances	−.5	.2	−.2	*	2.9	2.2	.7	−1.0	−5.1	1.6	−2.1	1.1	29
30	Insurance and pension reserves	13.6	12.0	11.4	10.8	13.1	9.1	13.1	16.7	27.9	28.1	27.7	28.5	30
31	Other, net	3.0	−.6	7.2	13.8	4.4	2.9	16.5	20.2	4.4	1.7	1.8	5.2	31
	Private domestic nonfinancial investors													
32	Direct lending in credit markets	17.6	4.2	20.4	44.5	−2.6	−3.2	13.7	39.3	31.8	40.8	20.1	61.4	32
33	U.S. Government securities	8.4	−1.4	8.1	17.0	9.0	−14.0	1.6	18.8	18.1	21.1	4.6	46.8	33
34	State and local obligations	2.6	−2.5	−.2	8.7	−1.2	.6	2.1	4.4	10.8	9.8	11.5	8.1	34
35	Corporate and foreign bonds	2.0	4.6	4.7	6.6	10.7	9.3	5.2	1.1	−1.7	7.6	9.2	6.0	35
36	Commercial paper	2.3	1.9	5.8	10.2	−4.4	.6	4.0	11.3	1.6	.9	1.9	3.8	36
37	Other	2.3	1.7	2.1	2.0	1.4	1.5	.8	3.8	2.9	3.3	2.1	4.4	37
38	Deposits and currency	24.4	52.1	48.3	5.4	66.6	93.7	101.9	88.8	82.8	100.3	112.8	87.8	38
39	Time and savings accounts	20.3	39.3	33.9	−2.3	56.1	81.0	85.2	76.3	71.9	86.1	91.6	80.7	39
40	Large negotiable CD's	−.2	4.3	3.5	−13.7	15.0	7.7	8.7	18.5	23.6	9.5	22.3	3.4	40
41	Other at commercial banks	13.3	18.3	17.5	3.4	24.2	32.9	30.6	29.5	26.6	36.2	45.0	27.4	41
42	At savings institutions	7.3	16.7	12.9	8.0	16.9	40.4	45.9	28.2	21.8	59.4	68.9	49.9	42
43	Money	4.1	12.8	14.5	7.7	10.5	12.7	16.7	12.6	10.8	14.1	21.2	7.1	43
44	Demand deposits	2.1	10.6	12.1	4.8	7.1	9.3	12.3	8.6	4.5	8.1	13.8	2.4	44
45	Currency	2.0	2.1	2.4	2.8	3.5	3.4	4.4	3.9	6.3	6.0	7.3	4.7	45
46	**Total of credit market instr., deposits, and currency**	**42.0**	**56.3**	**68.7**	**49.9**	**64.1**	**90.5**	**115.7**	**128.1**	**114.5**	**141.1**	**132.9**	**149.2**	46
47	Private support rate (in per cent)	17.9	14.1	12.7	17.8	30.4	30.7	11.5	18.4	27.9	18.4	23.2	14.4	47
48	Private financial intermediation (in per cent)	75.9	93.2	86.4	68.3	103.1	112.8	104.5	95.4	88.2	74.5	81.6	69.1	48
49	Total foreign funds	2.1	4.3	2.9	9.1	1.8	23.2	13.6	7.2	25.1	4.1	2.8	5.4	49
		Corporate equities not included above												
1	**Total net issues**	**4.8**	**5.5**	**6.4**	**10.0**	**10.4**	**14.8**	**12.9**	**8.0**	**5.6**	**11.5**	**12.5**	**10.4**	1
2	Mutual fund shares	3.7	3.0	5.8	4.8	2.6	1.1	.7	−1.6	1.0	1.5	2.7	.3	2
3	Other equities	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.6	10.0	9.8	10.1	3
4	Acquisitions by financial institutions	6.0	9.1	10.8	12.2	11.4	19.3	16.0	13.4	6.1	8.3	10.4	6.2	4
5	Other net purchases	−1.2	−3.6	−4.4	−2.2	1.0	−4.5	3.1	−5.4	−.5	3.2	2.1	4.2	5

Notes

Line

1. Line 2 of p. A-56.
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. Included below in lines 13 and 33. Includes all GNMA-guaranteed security issues backed by mortgage pools.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
17. Includes farm and commercial mortgages.
25. Lines 39 + 44.
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+44. See line 25.
45. Mainly an offset to line 9.
46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Lines 10 plus 28.

Corporate equities

Line 1 and 3. Includes issues by financial institutions.

1. U.S. BALANCE OF PAYMENTS SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted *unless shown in italics.*)

Line	Credits (+), debits (−)	1972	1973	1974	1974		1975		
					III	IV	I	II	III[p]
1	Merchandise trade balance [1]	−6,409	955	−5,277	−2,315	−1,380	1,830	3,378	2,026
2	Exports	49,388	71,379	98,309	25,034	26,593	27,188	25,692	26,716
3	Imports	−55,797	−70,424	−103,568	−27,349	−27,973	−25,358	−22,314	−24,690
4	Military transactions, net	−3,621	−2,317	−2,158	−513	−498	−349	−405	128
5	Travel and transportation, net	−3,024	−2,862	−2,692	−721	−741	−572	−393	−480
6	Investment income, net [2]	4,321	5,179	10,121	2,354	2,559	1,176	1,392	1,778
7	*U.S. direct investments abroad* [2]	*6,416*	*8,841*	*17,679*	4,700	4,080	2,156	*2,171*	2,371
8	Other U.S. investments abroad	3,746	5,157	8,389	2,354	2,358	2,148	2,075	2,307
9	Foreign investments in the United States [2]	−5,841	−8,819	−15,946	−4,700	−3,879	−3,128	−2,854	−2,900
10	Other services, net [2]	2,803	3,222	3,830	960	1,049	1,093	1,043	1,095
11	**Balance on goods and services** [3]	**−5,930**	**4,177**	3,825	−235	**989**	**3,178**	**5,015**	**4,547**
	Not seasonally adjusted				*−2,871*	*2,348*	*4,230*	*5,234*	*1,978*
12	Remittances, pensions, and other transfers	−1,606	−1,903	−1,721	−457	−439	−448	−462	−426
13	**Balance on goods, services, and remittances**	**−7,537**	**2,274**	**2,104**	**−692**	**550**	**2,730**	**4,553**	**4,121**
	Not seasonally adjusted				*−3,340*	*1,904*	*3,812*	*4,762*	*1,539*
14	*U.S. Government grants (excluding military)*	−2,173	*−1,938*	[4]*−5,461*	*−808*	*−649*	−727	−721	−621
15	**Balance on current account**	**−9,710**	**335**	**[4]−3,357**	**−1,500**	**−99**	**2,003**	**3,832**	**3,500**
	Not seasonally adjusted				*−4,104*	*1,289*	*3,075*	*3,973*	*964*
16	U.S. Government capital flows excluding nonscheduled repayments, net [5]	−1,706	−2,933	[4]408	−195	985	−1,015	−821	−701
17	Nonscheduled repayments of U.S. Government assets	137	289	1	*	*			*
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies	234	1,154	710	278	125	541	467	138
19	Long-term private capital flows, net	−69	177	−8,463	−2,157	−5,570	−2,199	−2,431	−1,357
20	U.S. direct investments abroad	−3,530	−4,968	−7,455	−1,828	−3,310	−1,041	−2,304	−668
21	Foreign direct investments in the United States [6]	380	2,656	2,224	−1	−653	340	679	−124
22	*Foreign securities*	*−618*	−759	−1,990	−304	−726	−2,021	−1,001	−988
23	U.S. securities other than Treasury issues [6]	4,507	4,055	672	204	−663	653	678	1,033
24	Other, reported by U.S. banks	−1,158	−706	−1,166	48	−285	−437	−648	−710
27	Other, reported by U.S. nonbanking concerns	351	−101	−748	−276	67	307	165	110
26	**Balance on current account and long-term capital** [5]	**−11,113**	**−977**	**−10,702**	**−3,574**	**−6,529**	**−670**	**1,047**	**1,580**
	Not seasonally adjusted				*−6,097*	*−4,616*	*−134*	*1,116*	*−837*
27	Nonliquid short-term private capital flows, net	−1,542	−4,238	−12,936	−1,458	−2,305	1,929	−970	−1,335
28	*Claims reported by U.S. banks*	−1,457	−3,886	−12,173	*−1,614*	−2,406	*1,733*	−1,008	*−1,116*
29	Claims reported by U.S. nonbanking concerns	−306	−1,183	−2,603	−276	−137	250	−167	202
30	Liabilities reported by U.S. nonbanking concerns	221	831	1,840	432	238	−54	205	−421
31	Allocations of Special Drawing Rights (SDR's)	710							
32	Errors and omissions, net	−1,884	−2,436	4,698	1,135	1,236	2,067	843	−37
33	**Net liquidity balance**	**−13,829**	**−7,651**	**−18,940**	**−3,897**	**−7,598**	**3,326**	**920**	**208**
	Not seasonally adjusted				*−5,538*	*−6,475*	*4,471*	*774*	*−1,500*
34	*Liquid private capital flows, net*	3,475	2,343	10,543	4,014	2,730	−6,587	−2,634	4,711
35	Liquid claims	−1,247	−1,951	−6,267	−249	−2,101	−4,744	−2,287	378
36	Reported by U.S. banks	−742	−1,161	−6,134	−753	−1,732	−5,062	−2,413	926
37	Reported by U.S. nonbanking concerns	−505	−790	−133	504	−369	318	126	−548
38	Liquid liabilities—	4,722	4,294	16,810	4,263	4,831	−1,843	−347	4,333
39	*Foreign commercial banks*	3,717	3,028	12,621	3,178	2,730	−2,818	175	2,429
40	International and regional organizations	103	377	1,319	215	1,308	871	−666	1,191
41	*Other foreigners*	902	889	2,870	870	793	*104*	*144*	713
42	***Official reserve transactions* balance, financed by changes in—**	**−10,354**	**−5,308**	**−8,397**	**117**	**−4,868**	**−3,261**	**−1,714**	**4,919**
	Not seasonally adjusted				*−1,684*	*−4,070*	*−2,214*	*−1,290*	*3,051*
43	Liquid liabilities to foreign official agencies	9,734	4,456	8,503	751	3,886	2,751	1,423	−4,828
44	Other readily marketable liabilities to foreign official agencies [7]	399	1,118	673	136	630	841	321	252
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt.	189	−475	655	−1	215	−6	−1	1
46	U.S. official reserve assets, net	32	209	−1,434	−1,003	137	−325	−29	−342
47	Gold	547							
48	SDR's	−703	9	−172	−123	−20	−4	−16	−25
49	Convertible currencies	35	233	3	−152	241	14	6	−222
50	Gold tranche position in IMF	153	−33	−1,265	−728	−84	−307	−7	−95
	Memoranda:								
51	Transfers under military grant programs (excluded from lines 2, 4, and 14)	4,492	2,809	1,811	352	490	787	1,244	66
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20)	4,521	8,124	7,508					
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21)	548	945	1,554					
	Balances excluding allocations of SDR's:								
54	*Net liquidity, not seasonally adjusted*	*−14,539*	*−7,651*	*−18,940*	*−5,538*	*−6,475*	*4,471*	*774*	*−1,500*
55	*Official reserve transactions, N.S.A.*	*−11,064*	*−5,308*	*−8,397*	*−1,684*	*−4,070*	*−2,214*	*−1,290*	*3,051*

For notes see opposite page.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports [1]				Imports [2]				Trade balance			
	1973	1974	1975r	1976	1973	1974[3]	1975r	1976	1973	1974[3]	1975r	1976
Month:												
Jan.	4,955	7,150	9,373	9,103	5,244	6,498	9,635	9,176	289	+652	−262	73
Feb.	5,070	7,549	8,755	....	5,483	7,318	7,928	....	413	+231	+827	....
Mar.	5,311	7,625	8,685	....	5,414	7,742	7,466	....	−103	117	+1,219	....
Apr.	5,494	8,108	8,648	....	5,360	8,025	7,959	....	+133	+83	+689	....
May	5,561	7,652	8,222	....	5,703	8,265	7,266	....	142	−612	+955	....
June	5,728	8,317	8,716	....	5,775	8,577	7,104	....	47	−260	+1,613	....
July	5,865	8,307	8,894	....	5,829	8,922	7,832	....	+37	−615	+1,062	....
Aug.	6,042	8,379	8,979	....	6,011	9,267	7,877	....	+32	−888	+1,102	....
Sept.	6,420	8,399	9,146	....	5,644	8,696	8,205	....	+776	−297	+941	....
Oct.	6,585	8,673	9,225	....	5,996	8,773	8,170	....	+589	100	+1,054	....
Nov.	6,879	8,973	9,409	....	6,684	8,973	8,204	....	+195	....	+1,206	....
Dec.	6,949	8,862	9,250	....	6,291	9,257	8,526	....	+658	−395	+724	....
Quarter:												
I	15,336	22,325	26,813	....	16,140	21,558	25,030	....	804	+767	+1,784	....
II	16,783	24,077	25,585	....	16,839	24,867	22,328	....	−56	790	+3,257	....
III	18,327	25,085	27,019	....	17,483	26,885	23,915	....	+844	−1,800	+3,104	....
IV	20,413	26,508	27,884	....	18,972	27,003	24,900	....	+1,441	−495	+2,984	....
Year[4]	70,823	97,908	107,191	....	69,476	100,251	96,140	....	+1,347	−2,343	+11,050	....

[1] Exports of domestic and foreign merchandise (f.a.s. value basis); excludes Department of Defense shipments under military grant-aid programs.

[2] General imports, which includes imports for immediate consumption plus entries into bonded warehouses. See also note 3.

[3] Beginning with 1974 data, imports are reported on an f.a.s. transactions value basis; prior data are reported on a Customs import value basis. For calendar year 1974, the f.a.s. import transactions value was $100.3 billion, about 0.7 per cent less than the corresponding Customs import value of $101.0 billion.

[4] Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock [1]		Con-vertible foreign curren-cies	Reserve position in IMF	SDR's [3]
		Total[2]	Treasury			
1961	18,753	16,947	16,889	116	1,690	....
1962	17,220	16,057	15,978	99	1,064	....
1963	16,843	15,596	15,513	212	1,035	....
1964	16,672	15,471	15,388	432	769	....
1965	15,450	13,806	13,733	781	863	....
1966	14,882	13,235	13,159	1,321	326	....
1967	14,830	12,065	11,982	2,345	420	....
1968	15,710	10,892	10,367	3,528	1,290	....
1969	[4] 16,964	11,859	10,367	[4] 2,781	2,324	....
1970	14,487	11,072	10,732	629	1,935	851
1971	[5] 12,167	10,206	10,132	[5] 276	585	1,100
1972[6]	13,151	10,487	10,410	241	465	1,958
1973[7]	14,378	11,652	11,567	8	552	2,166
1974	15,883	11,652	11,652	5	1,852	2,374

End of month	Total	Gold stock		Con-vertible foreign curren-cies	Reserve position in IMF	SDR's [3]
		Total[2]	Treasury			
1975						
Feb.	16,132	11,621	11,621	2	2,065	2,444
Mar.	16,256	11,620	11,620	19	2,194	2,423
Apr.	16,183	11,620	11,620	2	2,168	2,393
May	16,280	11,620	11,620	4	2,218	2,438
June	16,242	11,620	11,620	25	2,179	2,418
July	16,084	11,618	11,618	2	2,135	2,329
Aug.	16,117	11,599	11,599	28	2,169	2,321
Sept.	16,291	11,599	11,599	247	2,144	2,301
Oct.	16,569	11,599	11,599	413	2,192	2,365
Nov.	16,592	11,599	11,599	423	2,234	2,336
Dec.	16,226	11,599	11,599	80	2,212	2,335
1976						
Jan.	16,622	11,599	11,599	333	2,314	2,376
Feb.	[8] 16,661	11,599	11,599	296	[8] 2,390	[8] 2,376

[1] Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

[2] Includes gold in Exchange Stabilization Fund.

[3] Includes allocations by the IMF of Special Drawing Rights as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; and $710 million on Jan. 1, 1972; plus net transactions in SDR's.

[4] Includes gain of $67 million resulting from revaluation of the German mark in Oct. 1969, of which $13 million represents gain on mark holdings at time of revaluation.

[5] *Includes $28 million increase in dollar value of foreign currencies* revalued to reflect market exchange rates as of Dec. 31, 1971.

[6] Total reserve assets include an increase of $1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which, total gold stock is $828 million (Treasury gold stock $822 million), reserve position in IMF $33 million, and SDR's $155 million.

[7] Total reserve assets include an increase of $1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is $1,165 million (Treas. gold stock $1,157 million) reserve position in IMF $54 million, and SDR's $217 million.

[8] Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = $1.20635) SDR holdings at end of Feb. amounted to $2,449 million, reserve position in IMF, $2,465 million, and total U.S. reserves assets, $16,809.

NOTE.—See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

NOTES TO TABLE 1 ON OPPOSITE PAGE:

[1] Adjusted to balance of payments basis; among other adjustments, excludes military transactions and includes imports into the U.S. Virgin Islands.

[2] Fees and royalities from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from investment income and included in "Other services."

[3] Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition excludes special military sales to Israel from exports and excludes U.S. Govt. interest payments from imports.

[4] Includes under U.S. Government grants $2 billion equivalent, representing the refinancing of economic assistance loans to India; a corresponding reduction of credits is shown in line 16.

[5] Includes some short-term U.S. Govt. assets.

[6] Includes some transactions of foreign official agencies.

[7] Includes changes in long-term liabilities reported by banks in the United States and in investments by foreign official agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

NOTE.—Data are from U.S. Department of Commerce, Bureau of Economic Analysis. Details may not add to totals because of rounding.

4. GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at $35 per fine ounce through Apr. 1972, at $38 from May 1972–Sept. 1973, and at $42.22 thereafter)

End of period	Estimated total world[1]	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970	41,275	4,339	11,072	25,865	191	140	239	714	1,470	791	82	64	85
1971	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972	44,890	5,830	10,487	28,575	208	152	281	792	1,638	834	87	69	92
1973	49,850	6,478	11,652	31,720	231	169	311	881	1,781	927	97	77	103
1974	49,790	6,478	11,652	31,660	231	169	312	882	1,781	927	97	76	103
1975—Feb.	....	6,478	11,621	....	231	169	312	882	1,781	927	97	76	103
Mar.	49,760	6,478	11,620	31,660	231	169	312	882	1,781	927	97	76	103
Apr.	....	6,478	11,620	....	231	169	312	882	1,781	927	97	76	103
May	....	6,478	11,620	....	231	169	312	882	1,781	927	97	76	103
June	49,755	6,478	11,620	31,655	231	169	312	882	1,781	927	97	76	103
July	....	6,478	11,618	....	231	169	312	882	1,781	927	97	76	103
Aug.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Sept.	^{r}49,740	6,478	11,599	^{r}31,660	231	169	312	882	1,781	927	97	76	103
Oct.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Nov.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Dec.	....	6,478	11,599	....	231	....	312	882	1,781	927	97	76	....
1976—Jan.^{p}	....	6,478	11,599	....	231	....	312	882	1,781	927	97	76	....

End of period	France	Germany	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974	4,262	4,966	150	293	158	173	3,483	891	148	389	103	154	2,294
1975—Feb.	4,262	4,966	150	293	158	173	3,483	891	140	389	103	154	2,294
Mar.	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
Apr.	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
May	4,262	4,966	150	293	158	173	3,483	891	175	389	103	154	2,294
June	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
July	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
Aug.	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
Sept.	4,262	4,966	150	293	158	173	3,483	891	160	389	103	154	2,294
Oct.	4,262	4,966	150	293	158	173	3,483	891	160	....	103	....	2,294
Nov.	4,262	4,966	150	293	158	173	3,483	891	160	....	103	....	2,294
Dec.	4,262	4,966	150	293	158	173	3.483	891	^{r}169	....	103	....	2.294
1976—Jan.^{p}	4.262	4.966	....	....	158	....	3.483	891	169	....	103	....	2,294

End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements[2]
1970	54	902	119	666	498	200	2,732	92	126	1,349	162	384	−282
1971	55	921	108	410	498	200	2,909	82	130	775	148	391	310
1972	60	1,021	117	681	541	217	3,158	89	136	800	133	425	218
1973	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974	67	1,180	129	771	602	244	3,513	99	151	886	148	472	250
1975—Feb.	67	1,175	129	759	602	244	3,513	99	151	886	148	472	272
Mar.	67	1,175	129	755	602	244	3,513	99	151	886	148	472	259
Apr.	67	1,175	129	747	602	244	3,513	99	151	886	148	472	260
May	67	1,175	129	742	602	244	3,513	99	151	886	148	472	239
June	67	1,175	129	734	602	244	3.513	99	151	886	148	472	262
July	67	1,175	129	742	602	244	3,513	99	151	886	135	472	264
Aug.	67	1,175	129	744	602	244	3,513	99	151	886	135	472	264
Sept.	67	1,175	129	762	602	244	3,513	99	151	886	135	472	254
Oct.	67	1,175	129	754	602	244	3.513	99	151	....	135	472	256
Nov.	67	1,175	129	752	602	244	3,513	99	151	....	135	472	259
Dec.	67	....	129	749	602	244	3.513	99	151	....	....	472	246
1976—Jan.^{p}	67	....	129	753	....	244	3,513	99	151	....	....	472	213

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[1] Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and People's Republic of China.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

[2] Net gold assets of BIS, i.e., gold assets minus gold deposit liabilities.

5. U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Total	Liabilities to foreign countries											Liquid liabilities to nonmonetary intl. and regional organizations[8]
		Liquid liabilities to IMF arising from gold transactions[1]	Official institutions[2]					Liquid liabilities to commercial banks abroad[6]	Liquid liabilities to other foreigners				
			Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes[3]	Nonmarketable U.S. Treas. bonds and notes[4]	Other readily marketable liabilities[5]		Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes[3,7]		
1964	29,364	800	15,786	13,220	1,125	1,283	158	7,303	3,753	3,377	376		1,722
1965	29,568	834	15,825	13,066	1,105	1,534	120	7,419	4,059	3,587	472		1,431
1966[9]	31,144 31,019	1,011 1,011	14,840 14,895	12,484 12,539	860 860	583 583	913 913	10,116 9,936	4,271 4,272	3,743 3,744	528 528		906 905
1967[9]	35,819 35,667	1,033 1,033	18,201 18,194	14,034 14,027	908 908	1,452 1,452	1,807 1,807	11,209 11,085	4,685 4,678	4,127 4,120	558 558		691 677
1968[9]	38,687 38,473	1,030 1,030	17,407 17,340	11,318 11,318	529 462	3,219 3,219	2,341 2,341	14,472 14,472	5,053 4,909	4,444 4,444	609 465		725 722
1969[9]	[10]45,755 45,914	1,109 1,019	[10]15,975 15,998	11,054 11,077	346 346	[10]3,070 3,070	1,505 1,505	23,638 23,645	4,464 4,589	3,939 4,064	525 525		659 663
1970—Dec.	47,009 46,960	566 566	23,786 23,775	19,333 19,333	306 295	3,452 3.452	695 695	17.137 17.169	4,676 4,604	4,029 4,039	647 565		844 846
1971—Dec.[11]	67,681 67,808	544 544	51,209 50,651	39,679 39,018	1,955 1,955	9,431 9,534	144 144	10,262 10,949	4,138 4,141	3,691 3,694	447 447		1,528 1,523
1972—Dec.	82,862	....	61,526	40,000	5,236	15,747	543	14,666	5,043	4,618	425		1,627
1973—Dec.	[12]92,456	....	[12]66.827	[12]43.923	5,701	[12]15.530	1.673	17,694	5,932	5,502	430		2.003
1974—Dec.[9]	119,097 119,010	....	76,658 76,665	53,057 53,064	5,059 5,059	16,196 16,196	2,346 2,346	30,314 30,079	8,803 8,943	8,305 8,445	498 498		3,322 3,322
1975 Jan.[r]	118,172	....	75.960	51,832	5,177	16.324	2,627	29.135	8,752	8.244	508		4.325
Feb.[r]	119.441	....	78,689	54,310	5.279	16.324	2.776	27,297	9.093	8,483	610		4.362
Mar.[r]	119.851	....	79.190	53.706	6.003	16.324	3.157	27,414	9.047	8.411	636		4.200
Apr.[r]	120.954	....	79.150	53.531	5,941	16,365	3.313	28,799	8.843	8.188	655		4.162
May[r]	122.215	....	79.865	52.408	6,064	17,925	3.468	28,913	9.123	8.500	623		4.314
June[r]	121,954	....	80,638	51,929	6,119	19,027	3.563	27,990	9,310	8.656	654		4.017
July[r]	122,866	....	79.880	50,393	6,160	19,474	3,853	29,035	9.337	8.627	710		4.614
Aug.[r]	124.269	....	79.357	49,915	6,276	19,324	3,842	30,340	9,668	8,997	671		4,904
Sept.	123.123	....	77.916	48.080	6.452	19,524	3,860	30,318	9.901	9,200	701		4.988
Oct.	123.228	....	79,798	49,602	6.624	19.524	4.048	28.467	10.021	9.283	738		4.942
Nov.	126.252	....	79.267	49,124	6.454	19.584	4,105	32.191	20.234	9.527	707		4.560
Dec.	125,985	....	79,997	49.170	6,575	19.834	4.418	29.579	10,766	10,037	729		5,643
1976 Jan.[p]	127,305	....	80.283	49,131	6.816	19,909	4.427	30.649	10.846	10,120	726		5.527

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[1] Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

[2] Includes BIS, and European Fund through Dec. 1972.

[3] Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1963.

[4] Excludes notes issued to foreign official nonreserve agencies.

[5] Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally sponsored agencies and U.S. corporations.

[6] Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.

[7] Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.

[8] Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

[9] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those shown for the preceding date; figures on second line are comparable with those shown for the following date.

[10] Includes $101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. *1969*.

[11] Data on the second line differ from those on first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. *31*, *1971*.

[12] Includes $162 million increase in dollar value of foreign currency liabilities revalued to reflect market exchange rates, as follows: short-term liabilities, $15 million, and nonmarketable U.S. Treasury notes, $147 million.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Table excludes IMF holdings of dollars, and U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe[1]	Canada	Latin American republics	Asia	Africa	Other countries[2]
1972	61,526	34,197	4,279	1,733	17,577	777	2,963
1973	66,827	45,730	3,853	2,544	10,887	788	3,025
1974—Dec.[3]	76,658	44,185	3,662	4,419	18,604	3,161	2,627
	76,665	44,185	3,662	4,419	18,611	3,161	2,627
1975—Jan.	75,960	43,331	3,621	3,659	19,555	3,232	2,562
Feb.	78,689	44,770	3,616	4,223	20,274	3,356	2,450
Mar.^{r}	79,190	45,776	3,546	4,390	19,421	3,433	2,624
Apr.^{r}	79,150	45,063	3,251	4,506	20,126	3,493	2,711
May^r	79,865	45,343	3,101	4,600	20,456	3,448	2,917
June^r	80,638	45,341	3,008	4,723	20,497	3,800	3,269
July^r	79,880	44,316	2,966	4,763	21,384	3,319	3,132
Aug.^{r}	79,357	44,068	2,929	4,937	21,057	3,392	2,974
Sept.^{r}	77,916	43,339	3,011	4,840	20,819	3,145	2,762
Oct.	79,798	44,868	3,049	4,254	22,008	3,018	2,601
Nov.	79,267	44,602	3,218	4,056	21,826	2,951	2,614
Dec.^{p}	79,997	45,170	3,132	4,448	22,367	2,983	1,897
1976—Jan.^{p}	80,283	45,248	3,420	3,551	23,360	2,724	1,980

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[1] Includes Bank for International Settlements, and European Funds through 1972.

[2] Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

[3] See note 9 to Table 5.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States; foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners							IMF gold investment	To nonmonetary international and regional organizations[5]				
	Total[1]	Payable in dollars					Payable in foreign currencies		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[6]
		Total	Deposits		U.S. Treasury bills and certificates[3]	Other short-term liab.[4]				Demand	Time[2]		
			Demand	Time[2]									
1972	60,696	60,200	8,290	5,603	31,850	14,457	496	....	1,412	86	202	326	799
1973	69,074	68,477	11,310	6,882	31,886	18,399	597	....	1,955	101	83	296	1,474
1974—Dec.[7]	94,847	94,081	14,068	10,106	35,662	34,246	766		3,171	139	111	497	2,424
	94,760	93,994	14,064	10,010	35,662	34,258	766		3,171	139	111	497	2,424
1975—Jan.^{r}	93,268	92,547	12,284	10,053	38,108	32,102	721	....	4,057	123	111	1,234	2,589
Feb.^{r}	94,174	93,441	12,135	10,202	40,428	30,676	733	....	4,085	118	102	1,260	2,604
Mar.^{r}	93,032	92,351	12,329	10,043	40,094	29,885	682	....	3,502	189	116	777	2,419
Apr.^{r}	94,192	93,450	11,696	10,390	40,424	30,941	742	....	3,674	99	126	781	2,668
May^r	93,735	93,070	11,929	10,374	40,628	30,139	665	....	3,914	115	133	1,994	1,672
June^r	92,517	91,933	12,596	10,662	38,265	30,535	584	....	3,943	106	183	996	2,708
July^r	92,500	91,939	12,218	10,385	38,564	30,772	560	....	4,444	146	134	2,518	1,646
Aug.^{r}	94,055	93,493	12,218	10,703	38,529	32,043	562	....	4,804	110	148	3,156	1,389
Sept.^{r}	92,499	91,945	13,422	10,400	36,653	31,470	554	....	4,901	107	127	3,008	1,659
Oct.	91,935	91,300	12,159	10,584	^{r}37,749	30,808	635	....	4,583	132	150	2,397	1,903
Nov.^{p}	95,313	94,673	12,813	10,293	37,297	34,270	637	....	4,471	145	156	1,605	2,562
Dec.^{p}	94,078	93,479	13,714	10,665	37,414	31,687	598	....	5,293	138	186	2,554	2,413
1976—Jan.^{p}	94,815	94,207	12,291	11,151	38,789	31,975	608	....	4,915	114	256	2,498	2,046

For notes see opposite page.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners						To official institutions[8]					
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars				Payable in foreign currencies
		Deposits		U.S. Treasury bills and certificates[3]	Other short-term liab.[4]			Deposits		U.S. Treasury bills and certificates[3]	Other short-term liab.[6]	
		Demand	Time[2]					Demand	Time[2]			
1973	67,119	11,209	6,799	31,590	16,925	597	43.923	2,125	3,911	31,511	6,248	127
1974—Dec.[7]	91,676 91,589	13,928 13,925	9,995 9,899	35,165 35,165	31,822 31,834	766 766	53,057 53,064	2,951 2,951	4,257 4,167	34,656 34,656	11,066 11,163	127 127
1975—Jan.	89,211	12,161	9,942	36,874	29,513	721	51,832	2,185	4,201	36,531	8,916	....
Feb.	90,090	12,016	10,100	39,169	28,072	733	54,310	2,058	4,206	38,840	9,206	....
Mar.	89,511	12,130	9,927	39,316	27,456	682	53,696	2,323	4,203	39,015	8,154	....
Apr.^r	90.518	11.597	10.264	39,643	28,273	742	53.531	2.147	4.193	39,316	7,874	....
May^r	89.821	11,814	10,241	38,634	28,468	665	52,408	2,175	4.324	38.372	7.537	....
June^r	88,659	12,494	10,654	37.269	27.658	584	52,039	2,564	4.321	36.994	8,160	....
July^r	88,590	12,086	10.288	36,079	29.577	560	50,643	2.492	4,098	35.803	8,250	....
Aug.^r	89,249	12.121	10,251	35,406	30,909	562	49.932	2.493	3,939	35.055	8,445	....
Sept.^r	87.598	13.315	10,273	33,645	29,811	554	48,080	2.452	3,957	33.284	8,387	....
Oct.^r	87,352	12,027	10,434	35,359	28,897	635	49,602	2.448	3,948	34.983	8,223	....
Nov.	90.842	12.668	10,137	35,692	31,708	637	49,124	2.242	3.594	35.247	8,041	....
Dec.^p	88,786	13,575	10,478	34,860	29,282	591	49,170	2.644	3,438	34,175	8,913	....
1976—Jan.^p	89,901	12,177	10,895	36,291	29.937	600	49,131	2.449	3,306	35.633	7.743	....

End of period	To banks[9]						To other foreigners					To banks and other foreigners: Payable in foreign currencies
	Total	Payable in dollars										
		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[4]	Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[6]	
			Demand	Time[2]				Demand	Time[2]			
1973	23,196	17,224	6,941	529	11	9,743	5,502	2,143	2,359	68	933	469
1974—Dec.[7]	38,619 38,525	29,676 29,441	8,248 8,244	1,942 1,936	232 232	19,254 19,029	8,304 8,445	2,729 2,729	3,796 3,796	277 277	1,502 1,643	639 639
1975—Jan.	37,379	28,414	7,351	1,982	172	18,909	8,244	2,625	3,760	171	1,688	721
Feb.	35,780	26,564	7,138	2,033	155	17,238	8,483	2,820	3,861	174	1,628	733
Mar.^r	35.825	26,732	7,077	1,808	101	17,747	8.411	2.740	3.916	200	1,555	682
Apr.^r	36,988	28,058	6,894	2.102	120	18,941	8,189	2.556	3.969	207	1.457	742
May^r	37,414	28,249	6.856	1.821	105	19,466	8,500	2.784	4,096	156	1.465	665
June^r	36.620	27.261	7.075	2.009	99	18.078	8,775	2.855	4.324	176	1,421	584
July^r	37,947	28,113	6,906	1,339	124	19,744	9.273	2.688	4.851	152	1.582	560
Aug.^r	39,317	29,708	6.923	1,836	121	20,827	9.048	2.705	4.476	230	1.637	562
Sept.^r	39,518	29.764	7.982	1,775	89	19,918	9.200	2.881	4.541	272	1.506	554
Oct.^r	37.750	27.832	6.811	1,777	100	19.143	9,282	2.769	4,708	276	1.530	635
Nov.	41.718	31,554	7.587	1,694	135	22.139	9.527	2,839	4,850	311	1.528	637
Dec.^p	39.616	28,988	7.683	2,140	335	18.830	10,037	3.249	4.901	349	1,538	591
1976—Jan.^p	40,769	30,049	6,828	2,180	370	20,670	10,120	2,899	5.409	288	1.523	600

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[1] Data exclude IMF holdings of dollars.

[2] Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."

[3] Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

[4] Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

[5] Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

Includes difference between cost value and face value of securities in IMF gold investment account.

[6] Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

[7] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

[8] Foreign central banks and foreign central govts. and their agencies, *Bank for International Settlements, and European Fund through Dec.* 1972.

[9] Excludes central banks, which are included in "Official institutions."

NOTE.—"Short term" obligations are those payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude International Monetary Fund holdings of dollars; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and nonnegotiable, noninterest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1974		1975									1976
	Dec.[1]		Apr.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.	Nov.	Dec.[p]	Jan.[p]
Europe:												
Austria	607	607	629	627	627	661	667	688	606	635	700	714
Belgium-Luxembourg	2,506	2,506	2,810	2,875	3,070	2,982	2,891	2,865	2,918	2,938	2,917	2.696
Denmark	369	369	340	323	355	325	308	311	327	361	332	375
Finland	266	266	212	181	365	361	406	391	367	380	391	309
France	4,287	4,287	4,600	4,982	5,403	5,515	5,493	5,950	6.608	7,172	7,733	7.498
Germany	9,420	9,429	10,229	8,203	6,460	5,440	5,277	4,797	5,047	4,841	4,407	3.856
Greece	248	248	202	273	254	299	307	361	331	313	284	279
Italy	2,617	2,617	2,498	2,157	2,298	1,476	1,056	1,426	1,398	1,071	1,112	1.055
Netherlands	3,234	3,234	3,302	3,351	3,535	3,539	3,301	3,059	3,199	3,301	3,148	3.132
Norway	1,040	1,040	827	846	945	1,118	1,052	982	886	970	996	888
Portugal	310	310	247	267	264	279	268	207	236	190	194	243
Spain	382	382	361	341	362	392	288	459	414	402	426	445
Sweden	1,138	1,138	1,477	1,697	1,847	2,010	2,203	2,195	2,252	2,241	2.286	2.266
Switzerland	9,986	10,137	8,817	8,615	8,445	7,965	8,282	8.048	8.205	8,029	8.556	8.616
Turkey	152	152	103	87	124	106	134	116	128	120	118	88
United Kingdom	7,559	7,584	7,053	6,994	6,417	6,461	8,342	6,268	6,722	7,177	6,885	7.595
Yugoslavia	183	183	122	126	83	106	104	128	138	175	126	83
Other Western Europe[2]	4.073	4.073	2.516	2,546	2,562	2,560	2,291	2,443	2.428	2,370	2.970	2.317
U.S.S.R.	82	82	34	61	62	29	50	39	42	38	40	45
Other Eastern Europe	206	206	123	148	370	181	160	272	153	128	200	152
Total	48,667	48.852	46.502	44.701	43,852	41.755	42.882	41,005	42.405	42,853	43.821	42.653
Canada	3,517	3,520	3,946	3,951	3,617	3,921	3,637	3,944	3,567	4,091	3,075	3,885
Latin America:												
Argentina	886	886	886	964	989	1,061	1,054	984	1,135	1.150	1,147	1.208
Bahamas	1,448	1,054	1,946	2,288	1,691	1,991	2,190	1,503	2,221	2,989	1,834	3.197
Brazil	1,034	1,034	1,077	984	1,081	853	921	1,016	1,083	1.075	1,227	1.191
Chile	276	276	278	260	289	301	280	293	270	266	317	248
Colombia	305	305	313	307	400	376	367	379	366	387	414	483
Mexico	1,770	1,770	1,727	1,876	1,819	1,809	1.824	1,872	1.956	2.183	2,078	1,899
Panama	488	510	695	579	549	657	649	752	765	840	1,097	1,170
Peru	272	272	217	206	219	228	208	245	247	249	244	219
Uruguay	147	165	183	168	155	190	160	208	168	175	172	185
Venezuela	3,413	3,413	3,559	3,866	3,726	3,964	4,242	4,247	3,531	3,188	3,290	2,711
Other Latin American republics	1,316	1.316	1,407	1.360	1,513	1,417	1.371	1,469	1,399	1.368	1,500	1,434
Netherlands Antilles and Surinam	158	158	113	123	134	104	105	119	113	118	129	124
Other Latin America	526	596	755	899	991	1,603	1,534	1,897	1.046	2.141	1,501	1,613
Total	12.038	11.754	13,158	13,881	13,557	14.554	14,907	14.983	14.305	16.131	14.950	15.681
Asia:												
China, People's Rep. of (China Mainland)	50	50	55	49	65	50	55	94	104	93	123	263
China, Republic of (Taiwan)	818	818	1,045	1,006	1,071	1,015	1,054	1,058	1,061	1,051	1,025	1,010
Hong Kong	530	530	543	596	598	540	577	741	684	683	623	667
India	261	261	127	168	145	133	214	214	194	181	126	203
Indonesia	1,221	1,221	582	279	365	527	289	234	612	418	369	762
Israel	386	389	493	538	472	369	343	322	364	342	386	292
Japan	10,897	10,897	10,993	11,109	11,223	11,669	11,218	11,128	9,940	10,776	10,142	10,442
Korea	384	384	345	341	361	366	374	342	400	386	390	395
Philippines	747	747	660	662	697	632	669	604	580	593	698	601
Thailand	333	333	446	342	370	284	255	207	194	193	252	279
Middle East oil-exporting countries[3]	4.633	4.608	3.932	4.300	3,835	4,432	4.804	5,111	5,785	5.987	6.440	6.418
Other	813	820	905	861	906	767	919	970	925	885	869	1,071
Total	21,073	21.082	20.124	20.251	20.108	20.785	20,770	21,025	20.844	21.589	21.443	22,403
Africa:												
Egypt	103	103	112	113	514	253	295	188	185	255	342	177
South Africa	130	130	159	179	141	132	147	254	177	108	168	231
Oil-exporting countries[4]	2,814	2,814	3,070	3,009	2,965	2,785	2.872	2,649	2,447	2,372	2,238	2.134
Other	504	504	531	596	572	563	552	560	575	643	622	547
Total	3.551	3.551	3.872	3.897	4,192	3,732	3,866	3.651	3.385	3.377	3,370	3,089
Other countries:												
Australia	2,742	2,742	2,856	3,069	3,185	3,231	3,114	2,912	2,766	2,712	2,013	2,046
All other	89	89	60	71	64	77	75	78	80	87	114	143
Total	2,831	2,831	2,916	3,140	3,249	3,308	3,189	2,989	2,846	2,800	2.127	2,189
Total foreign countries	91,676	91.589	90.518	89,821	88,574	88.055	89,252	87,598	87.352	90,842	88,786	89,901
International and regional:												
International[5]	2,900	2,900	3,365	3,661	3,694	4,173	4,500	4.621	4.303	4.217	5,069	4,640
Latin American regional	202	202	220	169	155	181	215	186	190	193	187	198
Other regional[6]	69	69	90	84	94	90	88	94	90	61	37	76
Total	3,171	3,171	3,674	3,914	3,943	4,444	4,804	4,901	4,583	4,471	5,293	4,915
Grand total	94,847	94,760	94,192	93.735	92,517	92.500	94,055	92,499	91.935	95.313	94,078	94,815

For notes see opposite page.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data[7]

Area and country	1973		1974		1975
	Apr.	Dec.	Apr.	Dec.	Apr.
Other Western Europe:					
Cyprus	9	19	10	7	17
Iceland	12	8	11	21	20
Ireland, Rep. of	22	62	53	29	29
Other Latin American republics:					
Bolivia	65	68	102	96	93
Costa Rica	75	86	88	^{r}118	120
Dominican Republic	104	118	137	^{r}128	214
Ecuador	109	92	90	122	157
El Salvador	86	90	129	129	144
Guatemala	127	156	245	^{r}219	255
Haiti	25	21	28	35	34
Honduras	64	56	71	88	92
Jamaica	32	39	52	69	62
Nicaragua	79	99	119	127	125
Paraguay	26	29	40	46	38
Trinidad and Tobago	17	17	21	116	......
Other Latin America:					
Bermuda	127	242	201	^{r}107	100
British West Indies	100	109	354	449	627
Other Asia:					
Afghanistan	19	22	11	18	19
Burma	17	12	42	65	......
Other Asia—Cont.:					
Cambodia	3	2	4	4	......
Jordan	4	6	6	22	30
Laos	3	3	3	3	5
Lebanon	55	62	68	126	180
Malaysia	59	58	40	63	92
Pakistan	93	105	108	91	118
Singapore	53	141	165	245	215
Sri Lanka (Ceylon)	6	13	13	14	13
Vietnam	98	88	98	126	70
Other Africa:					
Ethiopia (incl. Eritrea)	75	79	118	95	76
Ghana	28	20	22	18	13
Kenya	19	23	20	31	32
Liberia	31	42	29	39	33
Southern Rhodesia	1	2	1	2	3
Sudan	3	3	2	4	14
Tanzania	16	12	12	11	21
Tunisia	11	7	17	19	23
Uganda	19	6	11	13	......
Zambia	37	22	66	22	18
All other:					
New Zealand	34	39	33	47	36

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[1] Data in the 2 columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding date; figures in the second column are comparable with those shown for the following date.

[2] Includes Bank for International Settlements.

[3] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[4] Comprises Algeria, Gabon, Libya, and Nigeria.

[5] Data exclude holdings of dollars of the International Monetary Fund.

[6] Asian, African, and European regional organizations, except BIS, which is included in "Europe."

[7] Represent a partial breakdown of the amounts shown in the other categories (except "Other Eastern Europe").

9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries				Country or area						
			Total	Official institutions	Banks[1]	Other foreigners	Germany	United Kingdom	Total Europe	Total Latin America	Middle East[2]	Other Asia[3]	All other countries
1972	1,018	580	439	93	259	87	165	63	260	136	....	33	10
1973	1,462	761	700	310	291	100	159	66	470	132	....	83	16
1974	1,285	822	464	124	261	79	146	43	227	115	94	8	20
1975—Jan.^{r}	1,400	840	560	223	266	71	144	58	218	118	189	11	21
Feb.^{r}	1,435	770	666	336	264	66	141	57	211	119	304	9	21
Mar.^{r}	1,512	794	718	396	255	67	131	57	202	120	364	9	21
Apr.^{r}	1,463	620	843	521	253	68	129	57	205	121	484	10	22
May^{r}	1,497	579	918	601	248	69	123	57	199	121	569	5	22
June^{r}	1,460	512	948	806	247	70	120	59	197	121	599	2	23
July^{r}	1,493	432	1,060	1,041	242	77	121	61	201	121	709	5	24
Aug.^{r}	1,446	372	1,074	751	243	81	120	61	202	123	719	6	23
Sept.^{r}	1,468	395	1,073	753	241	79	118	61	201	121	721	6	23
Oct.^{r}	1,385	311	1,072	748	241	83	118	61	206	126	712	4	24
Nov.	1,391	297	1,093	749	261	83	115	61	206	147	712	4	24
Dec.^{p}	1,757	415	1,340	951	289	100	164	61	256	140	914	6	24
1976—Jan.^{p}	1,885	306	1,577	1,052	402	123	264	65	373	142	1,015	8	41

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[1] Excludes central banks, which are included with "Official institutions."

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

[3] Until Dec. 1974 includes Middle East oil-exporting countries.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

Area and country	1974	1975											1976
	Dec.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.^{p}	Jan.^{p}
Europe:													
Belgium-Luxembourg	10	12	14	14	14	14	14	14	14	14	13	13	13
Germany	9	9	208	209	209	209	209	210	217	216	216	215	212
Sweden	251	252	252	252	251	252	252	278	275	275	275	276	276
Switzerland	30	30	29	32	34	37	37	41	44	54	58	55	68
United Kingdom	493	578	599	611	564	522	536	520	501	441	414	363	374
Other Western Europe	^{r}88	^{r}74	^{r}79	^{r}95	^{r}97	97	98	102	114	152	152	117	199
Eastern Europe	5	5	5	5	5	5	5	5	5	5	4	4	4
Total	885	959	1,186	1,217	1,174	1,135	1,151	1,169	1,170	1,157	1,134	1,044	1,146
Canada	713	584	588	460	412	412	408	406	404	399	400	393	393
Latin America:													
Latin American republics	12	11	11	11	11	13	13	13	13	13	33	33	33
Netherlands Antilles[1]	83	142	130	125	118	134	178	149	149	158	160	161	159
Other Latin America	5	6	5	4	4	5	5	5	5	6	6	6	7
Total	100	159	147	140	133	152	196	167	168	177	199	200	199
Asia:													
Japan	3,498	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,502	3,520	3,269	3,271	3,268
Other Asia	212	541	1,071	1,121	1,291	1,397	1,418	1,498	1,648	1,798	1,849	2,075	2,195
Total	3,709	4,037	4,567	4,617	4,787	4,893	4,914	4,994	5,149	5,319	5,118	5,346	5,463
Africa	151	151	151	161	181	181	201	211	261	311	311	321	341
All other	......	......	......	......	......	......	......	......	......	......	......	......	......
Total foreign countries	5,557	5,889	6,639	6,596	6,687	6,773	6,870	6,945	7,153	7,362	7,161	7,304	7,542
International and regional:													
International	97	226	627	419	342	29	128	66	52	324	60	322	593
Latin American regional	53	51	71	69	57	44	40	35	35	35	29	29	19
Total	150	277	699	488	399	74	169	101	87	359	89	351	612
Grand total	5,708	6,167	7,337	7,084	7,087	6,847	7,039	7,048	7,240	7,721	7,250	7,655	8,154

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[1] Includes Surinam until Jan. 1976.

NOTE.—Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year, and are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports (see Table 14).

11. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars								Payable in foreign currencies			
		Total	Loans to—				Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other
			Total	Official institutions	Banks[1]	Others[2]							
1972	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973	20,723	20,061	7,660	284	4,538	2,838	4,307	4,160	3,935	662	428	119	115
1974	39,030	37,835	11,301	381	7,342	3,579	5,637	11,237	9,659	1,195	668	289	238
1975—Jan.	39,074	37,800	10,207	361	6,289	3,557	5,565	11,062	10,966	1,274	719	351	204
Feb.	39,863	38,689	10,288	379	6,384	3,525	5,346	11,127	11,927	1,175	609	336	229
Mar.^{r}	42,283	41,136	9,615	310	5,664	3,641	5,418	11,341	14,762	1,147	626	290	231
Apr.^{r}	42,753	41,651	10,642	362	6,499	3,780	5,342	11,441	14,226	1,102	619	241	242
May^{r}	45,866	44,810	11,853	366	7,636	3,852	5,537	10,959	16,460	1,056	478	301	277
June^{r}	45,710	44,497	11,347	494	6,796	4,057	5,345	10,641	17,165	1,212	591	335	286
July^{r}	45,542	44,368	11,705	572	6,837	4,296	5,383	10,204	17,076	1,175	608	296	271
Aug.^{r}	45,441	44,293	13,084	626	7,960	4,499	5,314	9,977	15,917	1,148	610	240	298
Sept.	45,564	44,433	12,706	572	7,520	4,614	5,314	10,071	16,342	1,130	576	236	319
Oct.^{r}	47.697	46,390	12,632	632	7,483	4,517	5,465	10,134	18,160	1,306	734	231	341
Nov.	48,127	46,846	13,075	670	7,929	4,476	5,363	10,610	17,799	1,281	625	340	316
Dec.^{p}	49,876	48,588	13,352	586	7,736	5,030	5,467	11,132	18,637	1,288	612	301	376
1976—Jan.^{p}	50,889	49,646	13,691	677	8,193	4,822	5,323	11,047	19,585	1,242	693	263	286

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[1] Excludes central banks which are included with "Official institutions."

[2] Includes international and regional organizations.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1974	1975									1976
	Dec.	Apr.^{r}	May^r	June^r	July^r	Aug.^{r}	Sept.	Oct.	Nov.	Dec.^{p}	Jan.^{p}
Europe:											
Austria	21	16	19	17	16	28	20	19	32	15	20
Belgium-Luxembourg	384	674	647	600	620	598	536	555	463	352	401
Denmark	46	53	49	64	62	60	46	50	54	49	55
Finland	122	147	137	133	143	143	130	127	133	128	132
France	673	859	726	584	666	741	906	1,329	1,195	1,403	1,318
Germany	589	399	389	428	482	448	443	496	659	427	485
Greece	64	54	37	37	46	50	54	56	91	49	55
Italy	345	334	329	339	363	336	363	438	418	370	357
Netherlands	348	157	221	218	288	338	313	264	285	300	316
Norway	119	114	126	98	91	106	102	102	92	71	66
Portugal	20	26	25	25	27	22	18	15	19	16	20
Spain	196	234	251	235	257	214	245	256	261	249	274
Sweden	180	101	132	115	155	185	182	152	182	167	124
Switzerland	335	227	277	252	254	290	214	274	314	232	244
Turkey	15	37	30	40	26	43	56	54	121	86	59
United Kingdom	2,570	3,261	3,718	3,476	3.458	4,067	3,724	3,792	3.858	4,592	4,519
Yugoslavia	22	28	39	31	36	40	37	34	55	38	36
Other Western Europe	22	31	25	22	22	62	23	22	25	27	26
U.S.S.R	46	51	83	77	80	79	106	144	165	103	101
Other Eastern Europe	131	113	117	118	130	110	110	96	103	114	124
Total	6,245	6,918	7,379	6,910	7,222	7,960	7,630	8,275	8,526	8,787	8,734
Canada	2,776	2,896	3,081	2,837	2,651	2,340	2,626	2,728	2.742	2,808	3,017
Latin America:											
Argentina	720	958	1,007	1,111	1,105	1,115	1,219	1.343	1,229	1,203	1.246
Bahamas	3,398	5,714	7,738	8,660	7,813	6,627	6,432	7,250	6,856	7,513	7.645
Brazil	1,415	1,299	1,272	1,184	1,390	1,505	1,491	1,536	1,785	2,200	2,132
Chile	290	433	422	429	472	435	405	351	381	360	312
Colombia	713	710	702	687	666	667	684	662	649	689	651
Mexico	1,972	2,245	2,383	2,548	2,676	2,762	2,705	2.623	2,565	2,800	2,769
Panama	503	524	671	527	581	578	721	903	886	1,032	1,237
Peru	518	606	590	623	626	646	624	599	565	588	624
Uruguay	63	116	100	85	90	73	54	52	56	51	68
Venezuela	704	757	745	791	902	956	1,109	1,051	980	1,086	1,001
Other Latin American republics	866	967	972	966	1,055	1,005	1,014	1,041	969	985	1,085
Netherlands Antilles and Surinam	62	36	44	83	62	54	57	59	46	49	53
Other Latin America	1,142	1,731	2.227	1,830	1,679	2,091	1,684	2,202	2,555	1,861	3,028
Total	12,366	16,096	18,874	19,523	19,118	18,516	18,199	19,673	19,522	20,417	21,851
Asia:											
China, People's Rep. of (China Mainland)	4	11	12	9	13	13	5	11	11	22	10
China, Republic of (Taiwan)	500	448	434	483	463	503	606	601	681	735	725
Hong Kong	223	210	288	315	201	190	231	257	258	258	234
India	14	21	17	20	23	38	21	17	16	21	19
Indonesia	157	134	119	115	113	88	91	86	92	103	129
Israel	255	299	287	312	362	358	398	389	387	491	419
Japan	12,514	10,887	10,603	10,245	10,310	10,294	10.400	10,253	10,429	10,760	10.122
Korea	955	1,903	1,415	1,523	1,462	1,502	1,515	1,555	1,505	1,556	1.605
Philippines	372	398	455	478	481	410	340	338	347	377	426
Thailand	458	413	374	441	461	494	474	501	499	495	535
Middle East oil-exporting countries[1]	330	563	411	418	527	493	624	446	506	524	488
Other	441	449	568	492	544	572	651	702	665	683	768
Total	16,222	15,336	14,984	14,850	14,960	14,956	15,357	15,156	15,396	16,023	15.480
Africa:											
Egypt	111	142	138	149	134	141	125	127	130	104	106
South Africa	329	458	475	498	489	492	504	513	540	546	547
Oil-exporting countries[2]	115	95	128	120	144	134	190	207	215	233	213
Other	300	277	276	301	297	347	343	380	409	348	348
Total	855	973	1,018	1,068	1.064	1,114	1,162	1.227	1,294	1,231	1,214
Other countries:											
Australia	466	428	440	428	446	466	509	532	554	535	502
All other	99	107	89	81	80	88	80	105	91	73	87
Total	565	535	528	509	526	554	589	638	645	608	589
Total foreign countries	39,030	42,752	45,864	45,699	45,541	45,438	45,562	47,696	48,126	49,875	50,886
International and regional	....	1	2	11	1	3	1	*	1	1	3
Grand total	39,030	42.753	45,866	45,710	45,542	45,441	45,564	47,697	48,127	49,876	50.889

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[1] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[2] Comprises Algeria, Gabon, Libya, and Nigeria.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type						Country or area						
		Payable in dollars					Payable in foreign currencies	Total Europe	Canada	Total Latin America	Japan	Middle East[3]	Other Asia[4]	All other countries[2]
		Loans to—				Other long-term claims								
		Total	Official institutions	Banks[1]	Other foreigners[2]									
1972	5,063	4,588	844	430	3,314	435	40	853	406	2,020	353	....	918	514
1973	5,996	5,446	1,160	591	3,694	478	72	1,272	490	2,116	251	....	1,331	536
1974^r	7,183	6,494	1,333	931	4,230	609	80	1,907	501	2,613	258	384	977	542
1975—Jan.^{r}	7,295	6,643	1,370	972	4,300	583	69	1,992	490	2,614	248	376	1,016	560
Feb.^{r}	7,491	6,811	1,378	1,035	4,397	611	69	2,096	500	2,686	248	388	972	601
Mar.^{r}	7,589	6,920	1,401	1,069	4,450	598	70	2,126	500	2,707	247	385	1,029	595
Apr.^{r}	7,619	6,935	1,241	1,117	4,578	605	78	2,188	505	2,798	242	247	1,006	633
May^r	7,906	7,215	1,283	1,198	4,733	610	81	2,325	491	2,864	254	242	1,047	683
June^r	7,995	7,184	1,274	1,226	4,683	719	92	2,303	461	2,880	264	241	1,150	696
July^r	8,308	7,425	1,292	1,319	4,815	792	90	2,344	471	3,037	270	241	1,223	723
Aug.^{r}	8,265	7,394	1,276	1,336	4,782	787	85	2,395	438	3,003	259	237	1,204	728
Sep.	8,539	7,637	1,348	1,364	4,926	809	93	2,426	508	3,132	265	237	1,195	775
Oct.	8,860	7,907	1,266	1,516	5,125	840	114	2,534	595	3,168	292	222	1,214	835
Nov.	9,070	8,050	1,303	1,547	5,201	903	118	2,529	569	3,281	293	249	1,218	931
Dec.^{p}	9,436	8,385	1,380	1,707	5,299	934	116	2,662	555	3,457	296	220	1,258	987
1976—Jan.^{p}	9,324	8,261	1,296	1,626	5,339	945	118	2,634	552	3,379	289	205	1,259	1,006

[1] Excludes central banks, which are included with "Official institutions."

[2] Includes international and regional organizations.

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

[4] Until Dec. 1974 includes Middle East oil-exporting countries.

14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes[1]					U.S. corporate securities[2,3]			Foreign bonds[3]			Foreign stocks[3]		
	Net purchases or sales (−)					Purchases	Sales	Net purchases or sales (−)	Purchases	Sales	Net purchases or sales (−)	Pur-Sales	Sales	Net purchases or sales (−)
	Total	Intl. and regional	Foreign											
			Total[4]	Official	Other									
1973	305	−165	470	465	6	18,574	13,810	4,764	1,474	2,467	−993	1,729	1,554	176
1974	−472	101	−573	−642	69	16,183	14,677	1,506	1,036	3,254	−2,218	1,907	1,722	185
1975	1,948	201	1,747	1,516	230	20,309	15,202	5,107	2,387	8,687	−6,300	1,538	1,719	−182
1975—Jan.	245	118	127	118	9	1,246	913	333	131	1,207	−1,076	147	156	−9
Feb.	214	9	205	102	102	1,699	1,445	254	^{r}117	^{r}546	^{r}−429	134	173	−39
Mar.	1,171	421	749	724	25	1,760	1,155	604	^{r}195	647	−452	148	159	−11
Apr.	−254	−210	−43	−62	20	1,640	1,397	243	167	^{r}338	^{r}−171	155	141	14
May	3	−89	92	123	−31	1,846	1,679	167	172	345	−173	145	157	−12
June	−240	−326	86	56	31	1,754	1,332	422	215	^{r}852	^{r}−637	129	143	−15
July	192	95	96	41	56	2,251	1,278	973	315	^{r}1,008	−693	109	119	−10
Aug.	9	−67	77	117	−40	1,421	1,338	82	158	^{r}318	^{r}−160	89	256	−167
Sept.	192	−14	206	175	31	1,257	1,124	^{r}134	194	^{r}285	^{r}−91	91	79	11
Oct.	481	272	209	173	37	2,023	1,362	662	195	678	−484	137	161	−24
Nov.	−470	−270	−201	−171	−30	1,605	1,231	374	248	991	−743	107	78	29
Dec.^{p}	405	262	143	121	21	1,808	947	860	282	1,471	−1,190	148	97	51
1976—Jan.^{p}	498	261	237	241	−4	2,790	2,369	421	462	789	−328	145	139	6

[1] Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.

[2] Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

[3] Includes transactions of international and regional organizations.

[4] Includes transactions (in millions of dollars) of oil-exporting countries in Middle East and Africa as shown in the tabulation in the opposite column:

	Middle East	Africa
1975^p	1,773	170
1975—Jan.	100	......
Feb.	209	......
Mar.	525	......
Apr.	50	10
May	175	20
June	106	......
July	1	20
Aug.	80	10
Sept.	150	50
Oct.	150	50
Nov.	51	......
Dec.^{p}	176	10
1976—Jan.^{p}	115	20

15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Purchases	Sales	Net purchases or sales (-)	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total America Latin	Middle East[1]	Other Asia[2]	Other[3]
1973	12,767	9,978	2,790	439	2	339	686	366	2,104	99	4	....	577	5
1974	7,634	7,095	540	203	39	330	36	-377	281	-6	-33	....	288	10
1975	15,036	10,600	4,435	262	250	359	897	569	2,464	356	-7	1,440	140	39
1975—Jan.	748	554	193	36	17	8	42	-8	111	12	-15	86	-3	2
Feb.	1,420	891	529	21	25	14	115	147	331	20	13	153	-4	15
Mar.	1,152	913	240	12	15	40	39	38	150	15	-5	85	-6	*
Apr.	1,318	1,058	259	-15	23	26	44	54	136	-5	2	119	2	5
May	1,527	1,149	378	-6	4	27	100	59	193	36	1	113	36	-2
June	1,321	1,063	258	32	1	19	71	36	152	21	8	87	9	-19
July	1,669	1,080	589	55	31	80	139	75	396	20	13	153	2	6
Aug.	1,153	712	441	52	52	47	83	38	302	21	-6	82	26	16
Sept.	882	642	240	10	7	22	64	7	123	20	-15	72	32	8
Oct.	1,407	1,042	365	16	7	17	36	48	142	59	7	130	21	6
Nov.	1,114	809	304	22	40	-5	42	44	132	36	-1	122	12	4
Dec.p	1,325	686	639	28	40	64	123	32	297	102	-9	238	13	-2
1976—Jan.p	2,026	1,536	491	1	136	48	-2	88	207	40	76	174	-7	1

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

[2] Until 1975 includes Middle East oil-exporting countries.

[3] Includes international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total Latin America	Middle East[1]	Other Asia[2]	Total Africa	Other countries	Intl. and regional
1973	1,948	201	-33	-19	307	275	1,204	49	44	....	588	*	10	52
1974r	993	96	28	183	96	373	719	45	43	....	632	*	10	-456
1975	671	82	-11	-16	116	80	116	127	30	1,426	-42	5	1	-993
1975—Jan.	140	2	3	*	6	59	94	14	-1	151	1	*	*	-120
Feb.	-275	-4	3	*	3	-91	-87	16	*	35	1	*	1	-241
Mar.	365	1	-1	-1	10	23	32	4	-4	341	-19	*	*	10
Apr.	-16	1	2	-26	35	-99	-100	5	3	80	1	*	*	-6
May	-212	3	1	1	7	-81	-72	7	1	81	-11	*	*	-218
June	164	9	*	8	5	32	58	4	*	65	-1	*	*	38
July	384	27	16	6	35	80	183	33	1	179	4	*	*	-17
Aug.	-358	13	-3	18	-6	69	-73	6	1	-1	1	*	*	-292
Sept.	-107	13	6	25	-7	121	-19	-5	5	82	-7	*	*	-162
Oct.	296	1	-50	2	12	89	51	38	11	209	-4	3	*	-11
Nov.	69	39	8	-17	9	-41	-25	-2	6	75	4	1	*	11
Dec.p	221	2	3	3	8	56	74	6	6	130	-12	1	*	16
1976 Jan.p	69	5	-1	1	35	-30	-9	29	3	-47	-21	-2	-10	-13

[1] See note 1 to Table 15.

[2] See note 2 to Table 15.

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1973	-818	139	-957	-141	-569	-120	-168	3	37
1974r	-2,033	-60	-1,973	546	-1,508	-93	144	7	22
1975	-6,480	-2,192	-4,290	-48	-3,173	-308	-618	14	-154
1975 Jan r	-1,085	-572	-514	-41	-405	-28	-60	20	*
Feb. r	-468	-147	321	19	-152	-97	-94	2	*
Mar. r	-463	-106	-358	-66	-176	-3	-112	-2	1
Apr. r	-157	-57	-100	57	-3	17	-59	*	2
May r	-184	31	-215	39	-167	*	-88	-2	2
June r	-652	*	-652	-22	-475	*	-30	2	-127
July r	-703	-475	-229	-26	-113	-25	-69	*	4
Aug. r	-327	12	-339	24	-199	-164	1	1	2
Sept. r	-80	18	-98	-19	-129	25	24	-1	1
Oct.	-508	5	-513	48	460	-48	56	-3	6
Nov.	-714	-62	-652	-27	-584	6	3	-2	-48
Dec.p	1,139	-839	-299	80	-310	9	-78	-1	1
1976- Jan.p	-321	94	-415	-109	-293	-9	-4	-3	2

18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1973—June	316	243
Sept.	290	255
Dec.	333	231
1974—Mar.	383	225
June	354	241
Sept.	298	178
Dec.	293	194
1975—Mar.	349	209
June	380	233
Sept.	343	258
Dec.p	364	319

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

19a. ASSETS OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Location and currency form	Month-end	Total	Claims on U.S.			Claims on foreigners					Other
			Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Nonbank foreigners	
IN ALL FOREIGN COUNTRIES											
Total, all currencies	1972—Dec.	78,202	4,678	2,113	2,565	71,304	11,504	35,773	1,594	22.432	2,220
	1973—Dec.	121,866	5,091	1,886	3,205	111,974	19,177	56,368	2,693	33,736	4,802
	1974—Dec.^{r}	151,905	6,900	4,464	2,435	138,712	27,559	60,283	4,077	46,793	6,294
	1975—Jan.^{r}	151,140	7,031	4,360	2,671	138,141	27,894	58,863	4,152	47,233	5,968
	Feb.^{r}	151,662	5,487	2,882	2,605	140,343	28,969	58,794	4,246	48,334	5,832
	Mar.^{r}	155,204	5,328	2,638	2,689	143,749	28,330	61,611	4,407	49,400	6,127
	Apr.^{r}	155,616	5,832	3,052	2,780	143,948	29,195	60,292	4,353	50,108	5,836
	May^{r}	156,909	7,727	4,889	2,838	143,099	27,581	60,330	4,494	50,695	6,083
	June^{r}	162,342	5,540	2,342	3,198	150,515	30,870	63,710	4,836	51,100	6,287
	July^{r}	160,703	5,919	2,788	3,131	148,224	30,153	62,438	4,796	50,837	6,561
	Aug.^{r}	165,835	9,102	6,048	3,054	150,196	31,283	62,455	4,892	51,566	6,537
	Sept.^{r}	166,075	6,574	3,267	3,307	153,169	31,506	65,011	4,861	51,792	6,332
	Oct.^{r}	169,456	7,919	4,892	3,027	155,043	32,675	64,209	5,226	52,933	6,494
	Nov.^{r}	172,408	8,691	5,763	2,928	156,938	34,325	64,347	5,504	52,762	6,779
	Dec.^{p}	175,878	6,703	3,642	3,061	162,904	35,320	68,338	5,869	53,378	6,271
Payable in U.S. dollars	1972—Dec.	52,636	4,419	2,091	2,327	47,444	7,869	26,251	1,059	12,264	773
	1973—Dec.	79,445	4,599	1,848	2,751	73,018	12,799	39,527	1,777	18,915	1,828
	1974—Dec.^{r}	105,969	6,603	4,428	2,175	96,209	19,688	45,067	3,289	28,164	3,157
	1975—Jan.^{r}	105,776	6,707	4,318	2,389	95,987	20,448	43,151	3,370	29,018	3,082
	Feb.^{r}	104,360	5,143	2,839	2,304	96,326	20,827	42,672	3,431	29,395	2,891
	Mar.^{r}	107,519	5,014	2,607	2,407	99,635	19,836	46,118	3,604	30,078	2,870
	Apr.^{r}	108,399	5,467	3,009	2,458	100,230	20,993	45,172	3,599	30,465	2,702
	May^{r}	111,638	7,318	4,825	2,493	101,383	21,281	45,403	3,685	31,015	2,938
	June^{r}	117,296	5,113	2,280	2,833	109,180	24,529	49,132	3,949	31,569	3,003
	July^{r}	117,268	5,513	2,737	2,776	108,279	24,180	48,572	3,929	31,598	3,476
	Aug.^{r}	121,478	8,778	5,995	2,783	109,423	25,071	48,063	4,148	32,141	3,277
	Sept.^{r}	123,119	6,237	3,210	3,027	113,925	25,444	51,470	4,040	32,970	2,957
	Oct.^{r}	125,870	7,501	4,817	2,684	115,191	26,555	50,028	4,363	34,246	3,178
	Nov.	129,121	8,336	5,711	2,625	117,504	27,899	50,962	4,646	33,998	3,281
	Dec.^{p}	132,164	6,368	3,604	2,764	122,796	28,544	54,728	4,945	34,579	3,000
IN UNITED KINGDOM											
Total, all currencies	1972—Dec.	43,467	2,234	1,138	1,096	40,214	5,659	23,842	606	10,106	1,018
	1973—Dec.	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974—Dec.	69,804	3,248	2,472	776	64,111	12,724	32,701	788	17,898	2,445
	1975—Jan.	68,451	2,633	1,902	731	63,527	12,873	32,057	854	17,743	2,291
	Feb.	67,038	1,818	1,023	796	63,250	13,246	31,641	848	17,515	1,970
	Mar.	69,654	1,798	982	817	65,693	12,806	34,260	929	17,699	2,163
	Apr.	69,248	2,017	1,126	891	65,330	13,314	33,079	919	18,018	1,902
	May	68,707	2,535	1,689	845	64,269	12,491	32,443	920	18,415	1,904
	June	70,751	1,834	641	1,192	66,868	13,765	34,634	948	17,522	2,049
	July	70,382	1,904	807	1,097	66,277	14,414	33,431	923	17,509	2,202
	Aug.	72,455	3,795	2,698	1,097	66,428	15,213	32,998	948	17,268	2,232
	Sept.	72,120	2,042	1,076	967	67,923	15,249	34,759	825	17,091	2,155
	Oct.	72,742	2,681	1,699	982	67,631	16,555	32,806	830	17,440	2,430
	Nov.	73,924	3,112	2,137	975	68,494	17,549	33,189	852	16,904	2,319
	Dec.^{p}	74,853	2,375	1,449	926	70,324	17,557	35,102	881	16,784	2,153
Payable in U.S. dollars	1972—Dec.	30,257	2,146	1,131	1,015	27,664	4,326	17,331	543	5,464	446
	1973—Dec.	40,323	1,642	730	912	37,816	6,509	23,389	510	7,409	865
	1974—Dec.	49,211	3,146	2,468	678	44,693	10,265	23,716	610	10,102	1,372
	1975—Jan.	47,769	2,542	1,892	650	43,959	10,421	22,610	661	10,268	1,267
	Feb.	46,019	1,697	1,017	680	43,244	10,615	21,918	657	10,055	1,077
	Mar.	48,939	1,687	974	713	46,039	10,373	24,874	736	10,057	1,212
	Apr.	48,797	1,885	1,109	776	45,923	10,995	23,990	721	10,217	989
	May	48,506	2,404	1,671	733	45,180	10,656	23,320	698	10,506	922
	June	51,365	1,669	623	1,045	48,713	12,054	25,761	721	10,178	983
	July	51,665	1,742	793	949	48,787	12,664	25,143	713	10,267	1,136
	Aug.	53,456	3,661	2,681	980	48,763	13,315	24,540	740	10,168	1,032
	Sept.	54,256	1,910	1,054	856	51,369	13,488	27,008	596	10,277	977
	Oct.	54,192	2,552	1,687	865	50,494	14,654	24,691	592	10,557	1,146
	Nov.	56,221	2,988	2,123	865	52,145	15,555	25,600	638	10,353	1,087
	Dec.^{p}	57,331	2,257	1,445	812	54,107	15,645	27,669	648	10,145	967
IN BAHAMAS AND CAYMANS[1]											
Total, all currencies	1972—Dec.	12,642	1,486	214	1,272	10,986	725	5,507	431	4,322	170
	1973—Dec.	23,771	2,210	317	1,893	21,041	1,928	9,895	1,151	8,068	520
	1974—Dec.^{r}	31,733	2,464	1,081	1,383	28,453	3,478	11,354	2,022	11,599	815
	1975—Jan.^{r}	33,131	3,225	1,594	1,630	29,069	3,644	11,194	2,027	12,205	838
	Feb.^{r}	33,534	2,565	1,072	1,493	30,135	3,855	11,474	2,060	12,747	834
	Mar.^{r}	33,793	2,407	839	1,568	30,670	3,568	11,634	2,393	13,075	716
	Apr.^{r}	35,666	2,588	1,006	1,582	32,358	4,320	12,229	2,419	13,390	720
	May^{r}	38,198	4,126	2,468	1,658	33,214	4,270	13,181	2,531	13,232	858
	June^{r}	39,646	2,634	987	1,647	36,181	5,831	13,747	2,772	13,831	831
	July^{r}	39,614	2,787	1,134	1,653	35,676	5,015	14,065	2,747	13,849	1,150
	Aug.^{r}	41,624	4,117	2,580	1,536	36,555	5,222	14,117	2,891	14,324	953
	Sept.^{r}	41,601	3,189	1,289	1,900	37,479	5,220	14,604	3,020	14,635	933
	Oct.^{r}	44,166	3,989	2,295	1,694	39,225	5,604	15,414	3,308	14,899	952
	Nov.	44,471	4,544	2,929	1,615	38,973	5,321	15,134	3,434	15,084	954
	Dec.^{p}	[2]45,203	3,229	1,477	1,752	41,040	5,411	16,298	3,576	15,756	933

For notes see p. A-74.

19b. LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Total	To U.S.			To foreigners					Other	Month-end	Location and currency form
	Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Nonbank foreigners			
78,203	3,501	997	2,504	72,121	11,121	41,218	8,351	11,432	2,580	1972—Dec.	IN ALL FOREIGN COUNTRIES Total, all currencies
121,866	5,610	1,642	3,968	111,615	18,213	65,389	10,330	17,683	4,641	1973—Dec.	
151,905	11,982	5,809	6,173	132,990	26,941	65,675	20,185	20,189	6,933	1974—Dec.	
151,140	11,831	6,356	5,476	132,775	27,019	64,147	21,683	19,926	6,533	1975—Jan.	
151,662	12,561	6,607	5,954	132,594	28,185	63,402	21,951	19,057	6,507	Feb.	
155,204	15,407	8,849	6,557	133,540	28,214	63,419	22,577	19,330	6,257	Mar.	
155,617	14,935	8,703	6,233	134,594	29,192	62,287	23,236	19,879	6,088	Apr.	
156,910	16,861	10,366	6,494	133,806	26,725	64,700	22,223	20,158	6,243	May	
162,342	18,618	12,204	6,414	137,189	30,412	64,955	21,106	20,715	6,535	June	
160,703	17,704	11,542	6,162	136,808	30,233	65,956	20,371	20,249	6,191	July	
165,837	17,183	10,021	7,162	142,327	30,582	70,161	21,093	20,492	6,326	Aug.	
166,075	18,824	10,848	7.976	141,102	30,314	70,756	19,744	20,289	6,149	Sept.	
169.456	19,654	11,201	8,453	143,629	31,781	70,353	20.627	20,868	6,174	Oct.[r]	
172.408	20,545	11,114	9,431	145,121	33,188	70,408	21,187	20,337	6.742	Nov.	
175,878	20.116	12,060	8.056	149,417	34,145	71,985	22.761	20,526	6,346	Dec.[p]	
54,878	3,050	847	2,202	50,406	7,955	29,229	6,781	6,441	1,422	1972—Dec.	Payable in U.S. dollars
80,374	5,027	1,477	3,550	73,189	12,554	43,641	7,491	9,502	2,158	1973—Dec.	
107,890	11,437	5,641	5,795	92,503	19,330	43,656	17,444	12,072	3,951	1974—Dec.	
108,190	11,368	6,204	5,164	93,044	19,999	42,854	18,343	11,848	3,778	1975—Jan.	
106,125	12,063	6,460	5,603	90,426	20,109	40,701	18,708	10,907	3,636	Feb.	
109,501	14,795	8,660	6,135	91,338	19,880	41,216	19,303	10,939	3,368	Mar.	
110,405	14,277	8,517	5,760	92,715	20,683	40,999	19,909	11,123	3,414	Apr.	
114,105	16,256	10,189	6,067	94,452	20,521	43,863	18,928	11,139	3,397	May	
119,385	17,998	12,008	5,990	97,828	23,969	44,202	17,968	11,689	3,560	June	
119,319	17,090	11,335	5,755	99,013	24,112	45,897	17,393	11,611	3,216	July	
123,906	16,538	9,840	6,698	103,987	24,435	49,418	18,080	12,055	3,381	Aug.	
125,442	18,193	10,645	7,548	104,062	24,477	50,682	16,777	12,126	3,187	Sept.	
127,930	18,977	10,997	7.980	105,589	25,824	49,724	17,476	12,565	3.364	Oct.[r]	
131,981	19,847	10,923	8,925	108,269	27,054	50.292	18,407	12,515	3,865	Nov.	
134,925	19,397	11,834	7,563	112,078	27,615	51,325	19,982	13.157	3,450	Dec.[p]	
43,467	1,453	113	1,340	41,020	2,961	24,596	6,433	7,030	994	1972—Dec.	IN UNITED KINGDOM Total, all currencies
61,732	2,431	136	2,295	57,311	3,944	34,979	8,140	10,248	1,990	1973—Dec.	
69,804	3,978	510	3,468	63,409	4,762	32,040	15,258	11,349	2,418	1974—Dec.	
68,451	3,804	873	2,931	62,360	4,567	30,266	16,419	11,108	2,287	1975—Jan.	
67,038	4,376	913	3,462	60,546	4,693	29,207	16,517	10,127	2,117	Feb.	
69,654	5,095	1,224	3,871	62,363	4,630	29,990	17,305	10,438	2,196	Mar.	
69,248	4,596	1,342	3,254	62,625	5,394	28,666	17,812	10,753	2,026	Apr.	
68,708	4,772	1,337	3,435	61,772	5,325	28,957	16,726	10,764	2,164	May	
70,751	4,668	1,451	3,217	63,857	7,030	30,030	15,524	11,274	2,226	June	
70,382	4,679	1,718	2,961	63,501	6,475	30,636	15,312	11,077	2,203	July	
72,457	5,251	1,904	3,348	65,012	6,260	32,097	15,617	11,038	2,194	Aug.	
72,120	5,612	1,833	3,779	64,462	6,396	33,130	14,486	10,450	2,046	Sept.	
72,742	5,486	1,766	3,720	65,119	6,746	32,334	14,909	11,130	2,138	Oct.	
73,924	6,270	2,028	4,242	65,493	6,470	33,340	15,180	10,502	2,161	Nov.	
74,853	5.646	2,122	3,523	67,261	6,494	32,985	16,553	11,229	1,949	Dec.[p]	
30,810	1,272	72	1,200	29,002	2,008	17,379	5,329	4,287	535	1972—Dec.	*Payable in U.S. dollars*
39,689	2,173	113	2,060	36,646	2,519	22,051	5,923	6,152	870	1973—Dec.	
49,666	3,744	484	3,261	44,594	3,256	20,526	13,225	7,587	1,328	1974—Dec.	
48,490	3,599	854	2,744	43,578	3,172	19,061	13,736	7,609	1,313	1975—Jan.	
46,698	4,164	895	3,269	41,350	3,266	17,673	13,932	6,479	1,184	Feb.	
49,533	4,805	1,189	3,616	43,546	3,072	19,128	14,688	6,658	1,183	Mar.	
49,177	4,297	1,313	2,984	43,758	3,886	17,997	15,158	6,717	1,122	Apr.	
49,479	4,487	1,314	3,173	43,784	4,220	18,640	14,135	6,789	1,208	May	
51,848	4,369	1,412	2,957	46,312	5,962	20,039	13,083	7,228	1,167	June	
51,826	4,421	1,684	2,737	46,217	5,478	20,775	12,915	7,049	1,188	July	
54,017	4,975	1,873	3,103	47,912	5,288	22,087	13,249	7,287	1,129	Aug.	
54,683	5,389	1,808	3,581	48,314	5,456	23,645	12,182	7,031	980	Sept.	
54,478	5,276	1,735	3,541	48,079	5,708	22,452	12,500	7,419	1,123	Oct.	
56,696	6,062	2,009	4,053	49,411	5,478	23,641	12,999	7,293	1,223	Nov.	
57,790	5,415	2,083	3,332	51.466	5,442	23,349	14,498	8,176	910	Dec.[p]	
12,643	1,220	312	908	11,260	1,818	7,875	230	1,338	163	1972—Dec.	IN BAHAMAS AND CAYMANS[1] Total, all currencies
23,771	1,573	307	1,226	21,747	5,508	14,071	492	1,676	451	1973—Dec.	
31,733	4,815	2,636	2,180	26,140	7,702	14,050	2,377	2,011	778	1974—Dec.	
33,131	5,036	2,926	2,111	27,343	8,269	14,259	2,595	2,220	752	1975—Jan.	
33,534	5,243	3,281	1,962	27,498	8,975	13,550	2,711	2,262	793	Feb.	
33,793	7,228	5,081	2,147	25,875	8,498	12,614	2,520	2,243	690	Mar.	
35,667	7,420	5,083	2,337	27,536	8,756	13,694	2,769	2,318	711	Apr.	
38,198	9,090	6,766	2,324	28,309	6,872	16,018	2,977	2,441	799	May	
39,646	10,866	8,322	2,544	27,987	8,075	14,482	3,036	2,393	793	June	
39,614	9,991	7,407	2,584	28,933	8,401	15,539	2,500	2,492	690	July	
41,624	8,800	5,715	3,085	31,913	9,128	17,317	2,860	2,607	911	Aug.	
41,601	9,928	6,490	3,439	30.861	8,918	16,834	2,570	2,540	812	Sept.	
44,166	10,833	7,056	3,778	32.327	9,725	17,296	2,775	2,577	961	Oct.	
44,471	11,082	6,710	4,372	32.239	10,553	15,972	3,230	2,483	1,150	Nov.	
[2] 45,203	11,146	7,628	3,519	32,950	10,569	16,726	3,308	2,348	1,106	Dec.[p]	

For notes see p. A-74.

20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Treas. securities[1]	Earmarked gold
1972	325	50,934	[2]15,530
1973	251	52,070	[2]17,068
1974	418	55,600	16,838
1975—Feb.	409	60,864	16,818
Mar.	402	60,729	16,818
Apr.	270	60,618	16,818
May	310	61,539	16,818
June	373	61,406	16,803
July	369	60,999	16,803
Aug.	342	60,120	16,803
Sept.	324	58,420	16,795
Oct.	297	60,307	16,751
Nov.	346	60,512	16,745
Dec.	352	60,019	16,745
1976– Jan.	294	61,796	16,669
Feb.	412	62,640	16,666

[1] Marketable U.S. Treasury bills, certificates of indebtedness, 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 Oct. 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.

21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments[1]	Deposits	Short-term investments[1]		
1971	1,507	1,078	127	234	68	580	443
1972[2]	1,965	1,446	169	307	42	702	485
	2,374	1,910	55	340	68	911	536
1973	3,162	2,588	37	427	109	1,118	770
1974—Nov.	2,998	2,380	15	326	277	1,285	941
Dec.	3,311	2,582	56	412	261	1,350	951
1975—Jan.	3,275	2,521	50	359	345	1,145	1,117
Feb.	3,376	2,515	52	403	406	1,088	1,136
Mar.	3,283	2,434	67	395	388	1,064	1,134
Apr.	3,368	2,458	48	314	550	1,065	1,279
May	3,188	2,220	47	393	527	908	1,240
June	3,138	2,241	95	369	433	974	1,128
July	3,221	2,278	118	420	405	904	1,109
Aug.	3,438	2,334	129	453	522	1,017	1,309
Sept.	3,602	2,522	125	456	499	1,104	1,252
Oct.[p]	3,411	2,581	179	410	241	1,178	1,127
Nov.[p]	3,543	2,571	266	442	264	1,098	1,291

[1] Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

[2] Data on the 2 lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amount outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1972—Mar.	2,844	2,407	437	5,173	4,557	317	300
June	2,925	2,452	472	5,326	4,685	374	268
Sept.	2,933	2,435	498	5,487	4,833	426	228
Dec.[1]	3,119	2,635	484	5,721	5,074	410	237
	3,397	2,928	469	6,304	5,645	393	267
1973—Mar.	3,308	2,836	472	7,019	6,150	456	414
June	3,283	2,760	523	7,292	6,451	493	349
Sept.	3,567	2,919	648	7,627	6,701	528	399
Dec.	3,964	3,257	707	8,463	7,553	485	425
1974—Mar.	4,373	3,564	809	10,458	9,525	400	533
June	5,101	4,158	943	11,022	10,104	420	498
Sept.	5,567	4,634	933	10,681	9,720	419	543
Dec.	5,769	4,855	914	11,233	10,190	455	587
1975—Mar.	5,734	4,868	866	10,878	9,744	441	692
June[r]	5,746	4,922	824	10,827	9,546	466	815
Sept.[p]	5,804	4,967	837	11,845	10,505	507	832

[1] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	*Liabilities to foreigners*					Claims on foreigners				
	1974		1975			1974		1975		
	Sept.	Dec.	Mar.	June	Sept.^{p}	Sept.	Dec.	Mar.	June	Sept.^{p}
Europe:										
Austria	18	20	26	22	18	15	26	15	13	15
Belgium-Luxembourg	501	516	474	338	332	114	128	137	132	131
Denmark	22	24	23	14	8	25	42	35	22	24
Finland	12	16	16	12	14	91	120	77	87	114
France	157	202	151	138	149	461	430	328	287	311
Germany	240	313	350	291	275	326	339	276	346	319
Greece	28	39	25	27	21	69	65	59	69	56
Italy	129	125	109	110	156	413	397	309	300	380
Netherlands	120	117	121	141	153	144	148	157	135	139
Norway	10	9	9	8	13	32	36	35	41	48
Portugal	20	19	13	13	13	69	81	42	32	39
Spain	46	56	54	59	74	414	369	359	324	315
Sweden	40	38	32	30	47	97	89	66	74	100
Switzerland	106	140	157	168	167	154	136	86	113	220
Turkey	20	8	12	14	22	24	26	33	28	31
United Kingdom	1,408	1,222	1,110	1,006	895	1,763	1,853	1,642	1,542	1,769
Yugoslavia	17	40	52	45	60	23	22	33	32	24
Other Western Europe	7	5	5	4	5	20	21	23	16	19
Eastern Europe	80	70	54	49	38	90	142	114	153	170
Total	2,981	2,979	2,794	2,487	2,461	4,344	4,469	3,825	3,748	4,225
Canada	296	298	258	274	286	1,571	1,610	1,860	1,950	2,104
Latin America:										
Argentina	28	36	31	30	28	59	69	76	65	53
Bahamas	325	281	299	267	190	518	594	615	631	685
Brazil	160	118	121	127	116	419	461	376	347	384
Chile	14	22	23	15	13	124	106	69	57	41
Colombia	13	14	11	11	14	49	51	51	47	46
Cuba	*	*	*	*	*	1	1	1	*	1
Mexico	64	63	72	74	84	287	297	325	305	299
Panama	21	28	18	27	19	114	132	110	128	103
Peru	15	14	18	16	19	40	44	46	50	48
Uruguay	2	2	3	3	2	6	5	15	5	5
Venezuela	53	49	39	44	54	190	190	180	166	151
Other L.A. republics	63	83	65	67	75	182	193	195	179	163
Neth. Antilles and Surinam	8	24	48	54	72	14	20	16	13	13
Other Latin America	50	81	114	125	115	169	147	196	159	192
Total	818	816	862	859	801	2,169	2,308	2,271	2,152	2,183
Asia:										
China, People's Republic of (China Mainland)	23	17	8	6	2	8	17	19	32	45
China, Rep. of (Taiwan)	72	93	102	100	101	127	137	121	125	355
Hong Kong	18	19	19	30	29	64	63	83	85	84
India	10	7	10	21	21	37	37	32	39	48
Indonesia	38	60	63	87	105	81	85	110	142	129
Israel	40	50	62	62	45	53	44	46	60	63
Japan	352	348	327	273	278	1,158	1,218	1,307	1,226	1,234
Korea	66	75	47	43	63	123	201	165	178	207
Philippines	28	25	19	17	14	108	93	82	91	91
Thailand	10	10	9	6	8	23	24	30	25	21
Other Asia	431	536	645	845	908	311	387	398	470	535
Total	1,087	1,239	1,312	1,491	1,575	2,093	2,307	2,392	2,472	2,814
Africa:										
Egypt	6	3	5	34	34	16	15	24	15	16
South Africa	35	43	54	65	79	90	101	104	104	79
Zaire	17	18	17	9	9	13	24	18	17	22
Other Africa	114	129	142	215	220	205	234	242	227	273
Total	172	193	217	323	341	325	374	387	364	391
Other countries:										
Australia	57	56	60	37	52	134	116	97	101	80
All other	32	30	31	18	21	44	49	45	39	50
Total	89	86	91	55	73	178	165	141	139	128
International and regional	125	158	201	257	267	1	*	1	1	....
Grand total	5,567	5,769	5,734	5,746	5,804	10,681	11,233	10,878	10,827	11,845

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States. Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1971—Sept.	2,939	3,019	135	672	765	178	60	597	133	319	85	75
Dec.[1]	3,159	3,118	128	705	761	174	60	652	141	327	86	85
	3,138	3,068	128	704	717	174	60	653	136	325	86	84
1972—June	3,300	3,206	108	712	748	188	61	671	161	377	86	93
Sept.	3,448	3,187	128	695	757	177	63	662	132	390	89	96
Dec.[1]	3,540	3,312	163	715	775	184	60	658	156	406	87	109
	3,600	3,284	191	745	759	187	64	703	133	378	86	38
1973—Mar.	3,777	3,421	156	802	775	165	63	796	123	393	105	45
June	3,779	3,472	180	805	782	146	65	825	124	390	108	48
Sept.	3,993	3,632	216	822	800	147	73	832	134	449	108	51
Dec.	3,878	3,693	290	761	854	145	79	824	122	450	115	53
1974—Mar.	3,827	3,814	369	737	888	194	81	800	118	448	119	61
June	3,524	3,809	363	696	907	184	138	742	117	477	122	61
Sept.	3,356	3,932	370	702	943	181	145	776	114	523	118	59
Dec.	3,707	4,114	364	640	977	187	143	1,018	107	505	121	54
1975—Mar.	3,954	4,128	340	652	1,020	182	160	961	102	527	130	54
June	r4,068	r4,063	299	r632	r1,018	r182	154	939	98	536	138	68
Sept.	4,014	4,206	362	618	1,037	177	222	895	95	586	146	67

[1] Data on the 2 lines shown for this data differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

25. OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom				France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months[1]	Day-to-day money[2]	Prime bank bills, 3 months	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates	Day-to-day money[3]	Treasury bills, 60–90 days[4]	Day-to-day money[5]	Treasury bills, 3 months	Day-to-day money	Private discount rate
1973	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1974	7.63	7.69	12.99	11.36	9.85	9.48	12.87	6.06	8.76	6.90	8.21	6.67
1975	7.36	7.34	10.57	10.16	10.13	7.23	7.89	3.51	4.23	4.41	3.65	6.25
1975—Feb.	6.34	6.88	11.34	9.88	7.72	9.50	9.91	3.88	4.04	6.56	7.33	7.00
Mar.	6.29	6.73	10.11	9.49	7.53	8.22	9.06	3.38	4.87	5.94	5.87	7.00
Apr.	6.59	6.68	9.41	9.26	7.50	7.09	8.34	3.38	4.62	5.16	4.13	6.50
May	6.89	6.88	10.00	9.47	7.81	6.25	7.56	3.38	5.32	3.64	1.98	6.50
June	6.96	6.88	9.72	9.43	7.00	6.25	7.31	3.38	4.91	2.76	1.37	6.50
July	7.22	7.17	9.86	9.71	7.34	6.25	7.25	3.38	3.98	2.98	1.99	6.50
Aug.	7.72	7.42	10.59	10.43	8.59	6.43	7.16	3.38	1.93	2.89	1.51	6.00
Sept.	8.37	7.74	10.43	10.36	9.40	6.50	6.91	3.38	4.25	2.60	.94	5.50
Oct.	8.28	7.92	11.38	11.42	9.88	6.93	6.53	3.13	3.27	4.22	4.35	5.50
Nov.	8.44	8.29	11.21	11.10	11.34	7.00	6.74	3.13	3.36	4.67	4.19	5.50
Dec.	8.59	8.66	10.88	10.82	9.61	7.00	6.42	3.13	3.84	4.88	4.34	5.50
1976—Jan.	8.59	8.75	9.83	9.87	9.08	....	6.38	3.13	3.58	4.52	3.76	5.00
Feb.	....	....	....	....	....	....	7.27	....	....	....	....	5.00

[1] Based on average yield of weekly tenders during month.
[2] Based on weekly averages of daily closing rates.
[3] Rate shown is on private securities.
[4] Rate in effect at end of month.
[5] Monthly averages based on daily quotations.

NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

NOTES TO TABLES 19a AND 19b ON PAGES A-70 AND A-71, RESPECTIVELY:

[1] Cayman Islands included beginning Aug. 1973.
[2] Total assets and total liabilities payable in U.S. dollars amounted to $41,887 million and $42,197 million, respectively, on Dec. 31, 1975.

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

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

26. CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of February 29, 1976		Country	Rate as of February 29, 1976	
	Per cent	Month effective		Per cent	Month effective
Argentina	18.0	Feb. 1972	Italy	8.0	Feb. 1976
Austria	5.0	Jan. 1976	Japan	6.5	Oct. 1975
Belgium	6.0	Aug. 1975	Mexico	4.5	June 1942
Brazil	18.0	Feb. 1972	Netherlands	4.0	Feb. 1976
Canada	9.0	Sept. 1975	Norway	5.0	Oct. 1975
Denmark	7.5	Aug. 1975	Sweden	5.5	Jan. 1976
France	8.0	Sept. 1975	Switzerland	2.5	Jan. 1976
Germany, Fed. Rep. of	3.5	Sept. 1975	United Kingdom	9.25	Feb. 1976
			Venezuela	5.0	Oct. 1970

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

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom—The Bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above;

Venezuela—2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

27. FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1972	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	.17132	.32995
1973	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	.17192	.36915
1974	143.89	5.3564	2.5713	102.257	16.442	20.805	38.723	12.460	234.03	.15372	.34302
1975	130.77	5.7467	2.7253	98.297	17.437	23.354	40.729	11.926	222.16	.15328	.33705
1975—Feb.	134.80	6.0400	2.8753	99.957	18.064	23.390	42.981	12.550	239.58	.15678	.34294
Mar.	135.85	6.0648	2.9083	99.954	18.397	23.804	43.120	12.900	241.80	.15842	.34731
Apr.	134.16	5.9355	2.8433	98.913	18.119	23.806	42.092	12.686	237.07	.15767	.34224
May	134.04	6.0033	2.8631	97.222	18.299	24.655	42.546	12.391	232.05	.15937	.34314
June	133.55	6.0338	2.8603	97.426	18.392	24.971	42.726	12.210	228.03	.15982	.34077
July	130.95	5.7223	2.7123	97.004	17.477	23.659	40.469	11.777	218.45	.15387	.33741
Aug.	128.15	5.4991	2.6129	96.581	16.783	22.848	38.857	11.379	211.43	.14963	.33560
Sept.	128.87	5.4029	2.5485	97.437	16.445	22.367	38.191	11.281	208.34	.14740	.33345
Oct.	126.26	5.4586	2.5662	97.557	16.601	22.694	38.737	11.244	205.68	.14745	.33076
Nov.	126.26	5.4535	2.5618	98.631	16.564	22.684	38.619	11.238	204.84	.14721	.33053
Dec.	125.38	5.3986	2.5311	98.627	16.253	22.428	38.144	11.134	202.21	.14645	.32715
1976 Jan.	125.65	5.4300	2.5443	99.359	16.231	22.339	38.425	11.178	202.86	.14245	.32826
Feb.	125.85	5.4628	2.5554	100.652	16.278	22.351	39.034	11.186	202.62	.13021	.33157

Period	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1972	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1974	41.682	8.0000	37.267	140.02	18.119	3.9506	146.98	1.7337	22.563	33.688	234.03
1975	41.753	8.0000	39.632	121.16	19.180	3.9286	136.47	1.7424	24.141	38.743	222.16
1975—Feb.	44.136	8.0000	41.582	133.30	19.977	4.1139	147.16	1.7784	25.149	40.450	239.58
Mar.	44.582	8.0000	42.124	134.31	20.357	4.1276	148.70	1.7907	25.481	40.273	241.80
Apr.	43.797	8.0000	41.291	132.66	20.049	4.0596	147.01	1.7756	25.171	39.080	237.07
May	44.278	8.0000	41.581	131.66	20.198	4.0933	146.69	1.7871	25.422	39.851	232.05
June	43.856	8.0000	41.502	130.86	20.393	4.1124	146.31	1.7922	25.532	40.086	228.03
July	41.442	8.0000	39.154	127.73	19.241	3.9227	139.75	1.7446	24.213	38.272	218.45
Aug.	39.779	8.0000	37.887	111.79	18.304	3.7700	139.72	1.7140	23.174	37.332	211.43
Sept.	38.219	8.0000	37.229	105.50	17.834	3.7048	131.40	1.6914	22.501	36.905	208.35
Oct.	38.931	8.0000	37.658	104.74	18.089	3.7359	114.84	1.6883	22.769	37.555	205.68
Nov.	38.929	8.0000	37.638	104.75	18.116	3.7318	114.69	1.6869	22.788	37.683	204.84
Dec.	38.670	8.0000	37.234	103.77	17.988	3.6836	114.75	1.6765	22.685	37.970	202.21
1976– Jan.	38.696	8.0000	37.429	104.06	17.992	3.6562	114.80	1.6751	22.831	38.418	202.86
Feb.	38.998	8.0000	37.529	104.25	18.098	3.6394	114.79	1.5523	22.861	38.912	202.62

NOTE.—Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

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		Robert H. Knight	Richard A. Debs	
Buffalo	14240	Rupert Warren		Ronald B. Gray
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*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Columbus, Ohio 43216; Columbia, South Carolina 29210; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

Federal Reserve Board Publications

Available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Where a charge is indicated, remittance should accompany request and be made payable to the order of the Board of Governors of the Federal Reserve System in a form collectible at par in U.S. currency. (Stamps and coupons are not accepted.)

The Federal Reserve System—Purposes and Functions. 1974. 125 pp. $1.00 each; 10 or more to one address, $.75 each.

Annual Report

Federal Reserve Bulletin. Monthly. $20.00 per year or $2.00 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, $18.00 per year or $1.75 each. Elsewhere, $24.00 per year or $2.50 each.

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The Federal Reserve Act, as amended through December 1971, with an appendix containing provisions of certain other statutes affecting the Federal Reserve System. 252 pp. $1.25.

Regulations of the Board of Governors of the Federal Reserve System

Published Interpretations of the Board of Governors, as of June 30, 1975. $2.50.

Supplement to Banking and Monetary Statistics. **Sec. 1.** Banks and the Monetary System. 1962. 35 pp. $.35. **Sec. 2.** Member Banks. 1967. 59 pp. $.50. **Sec. 5.** Bank Debits. 1966. 36 pp. $.35. **Sec. 6.** Bank Income. 1966. 29 pp. $.35. **Sec. 9.** Federal Reserve Banks. 1965. 36 pp. $.35. **Sec. 10.** Member Bank Reserves and Related Items. 1962. 64 pp. $.50. **Sec. 11.** Currency. 1963. 11 pp. $.35. **Sec. 12.** Money Rates and Securities Markets. 1966. 182 pp. $.65. **Sec. 14.** Gold. 1962. 24 pp. $.35. **Sec. 15.** International Finance. 1962. 92 pp. $.65. **Sec. 16 (New).** Consumer Credit. 1965. 103 pp. $.65.

The Federal Funds Market. 1959. 111 pp. $1.00 each; 10 or more to one address, $.85 each.

Trading in Federal Funds. 1965. 116 pp. $1.00 each; 10 or more to one address, $.85 each.

Industrial Production —1971 Edition. 1972. 383 pp. $4.00 each; 10 or more to one address, $3.50 each.

The Performance of Bank Holding Companies. 1967. 29 pp. $.25 each; 10 or more to one address, $.20 each.

Bank Credit-Card and Check-Credit Plans. 1968. 102 pp. $1.00 each; 10 or more to one address, $.85 each.

Survey of Financial Characteristics of Consumers. 1966. 166 pp. $1.00 each; 10 or more to one address, $.85 each.

Survey of Changes in Family Finances. 1968. 321 pp. $1.00 each; 10 or more to one address, $.85 each.

Report of the Joint Treasury-Federal Reserve Study of the U.S. Government Securities Market. 1969. 48 pp. $.25 each; 10 or more to one address, $.20 each.

Joint Treasury-Federal Reserve Study of the Government Securities Market: Staff Studies—Part 1. 1970. 86 pp. $.50 each; 10 or more to one address, $.40 each. Part 2. 1971. 153 pp. and Part 3. 1973. 131 pp. Each volume $1.00; 10 or more to one address, $.85 each.

Open Market Policies and Operating Procedures—Staff Studies. 1971. 218 pp. $2.00 each; 10 or more to one address, $1.75 each.

Reappraisal of the Federal Reserve Discount Mechanism. **Vol. 1.** 1971. 276 pp. **Vol. 2.** 1971. 173 pp. **Vol. 3.** 1972. 220 pp. Each volume $3.00; 10 or more to one address, $2.50 each.

The Econometrics of Price Determination Conference, October 30-31, 1970, Washington, D.C. Oct. 1972. 397 pp. Cloth ed. $5.00 each; 10 or more to one address, $4.50 each. Paper ed. $4.00 each; 10 or more to one address, $3.60 each.

Federal Reserve Staff Study: Ways to Moderate Fluctuations in Housing Construction, Dec. 1972. 487 pp. $4.00 each; 10 or more to one address, $3.60 each.

Lending Functions of the Federal Reserve Banks. 1973. 271 pp. $3.50 each; 10 or more to one address, $3.00 each.

Introduction to Flow of Funds. 1975. 64 pp. $.50 each; 10 or more to one address, $.40 each.

Improved Fund Availability at Rural Banks (Report and study papers of the Committee on Rural Banking Problems). June 1975. 133 pp. $1.00; 10 or more to one address, $.85 each.

STAFF ECONOMIC STUDIES

Studies and papers on economic and financial subjects that are of general interest in the field of economic research.

Summaries Only Printed in the Bulletin

(Limited supply of mimeographed copies of full text available upon request for single copies)

Household-Sector Economic Accounts, by David F. Seiders. Jan. 1975. 84 pp.

The Performance of Individual Bank Holding Companies, by Arthur G. Fraas. Aug. 1975. 27 pp.

Printed in Full in the Bulletin

Staff Economic Studies shown in list below.

REPRINTS

(Except for Staff Papers, Staff Economic Studies, and some leading articles, most of the articles reprinted do not exceed 12 pages.)

Seasonal Factors Affecting Bank Reserves. 2/58.

Measures of Member Bank Reserves. 7/63.

Research on Banking Structure and Performance, **Staff Economic Study** by Tynan Smith. 4/66.

A Revised Index of Manufacturing Capacity, **Staff Economic Study** by Frank de Leeuw with Frank E. Hopkins and Michael D. Sherman. 11/66.

U.S. International Transactions: Trends in 1960–67. 4/68.

Measures of Security Credit. 12/70.

Monetary Aggregates and Money Market Conditions in Open Market Policy. 2/71.

Revised Measures of Manufacturing Capacity Utilization. 10/71.

Revision of Bank Credit Series. 12/71.

Assets and Liabilities of Foreign Branches of U.S. Banks. 2/72.

Bank Debits, Deposits, and Deposit Turnover—Revised Series. 7/72.

Yields on Newly Issued Corporate Bonds. 9/72.

Recent Activities of Foreign Branches of U.S. Banks. 10/72.

Revision of Consumer Credit Statistics. 10/72.

One-Bank Holding Companies Before the 1970 *Amendments*. 12/72.

Yields on Recently Offered Corporate Bonds. 5/73.

Capacity Utilization in Major Materials Industries. 8/73.

Credit-Card and Check-Credit Plans at Commercial Banks. 9/73.

Rates on Consumer Instalment Loans. 9/73.

New Series for Large Manufacturing Corporations. 10/73.

Money Supply in the Conduct of Monetary Policy 11/73.

U.S. Energy Supplies and Uses, **Staff Economic Study** by Clayton Gehman. 12/73.

Capacity Utilization for Major Materials: Revised Measures. 4/74.

Numerical Specifications of Financial Variables and Their Role in Monetary Policy. 5/74.

Inflation and Stagnation in Major Foreign Industrial Countries. 10/74.

Revision of the Money Stock Measures and Member Bank Deposits. 12/74.

U.S. International Transactions in 1974. 4/75.

Monetary Policy in a Changing Financial Environment: Open Market Operations in 1974. 4/75

The Structure of Margin Credit. 4/75.

Changes in Bank Lending Practices, 1974. 4/75.

New Statistical Series on Loan Commitments at Selected Large Commercial Banks. 4/75.

Recent Trends in Federal Budget Policy. 7/75.

Banking and Monetary Statistics, 1974. Selected series of banking and monetary statistics for 1974 only. 2/75, 3/75, 4/75 and 7/75.

Changes in Time and Savings Deposits at Commercial Banks, January–April 1975. 10/75.

Recent Developments in International Financial Markets. 10/75.

MINNIE: A Small Version of the MIT–PENN–SSRC Econometric Model, **Staff Economic Study** by Douglas Battenberg, Jared J. Enzler and Arthur M. Havenner. 11/75.

An Assessment of Bank Holding Companies, **Staff Economic Study** by Robert J. Lawrence and Samuel H. Talley. 1/76.

Industrial Electric Power Use. 1/76.

Revision of Money Stock Measures. 2/76.

Survey of Finance Companies, 1975. 3/76.

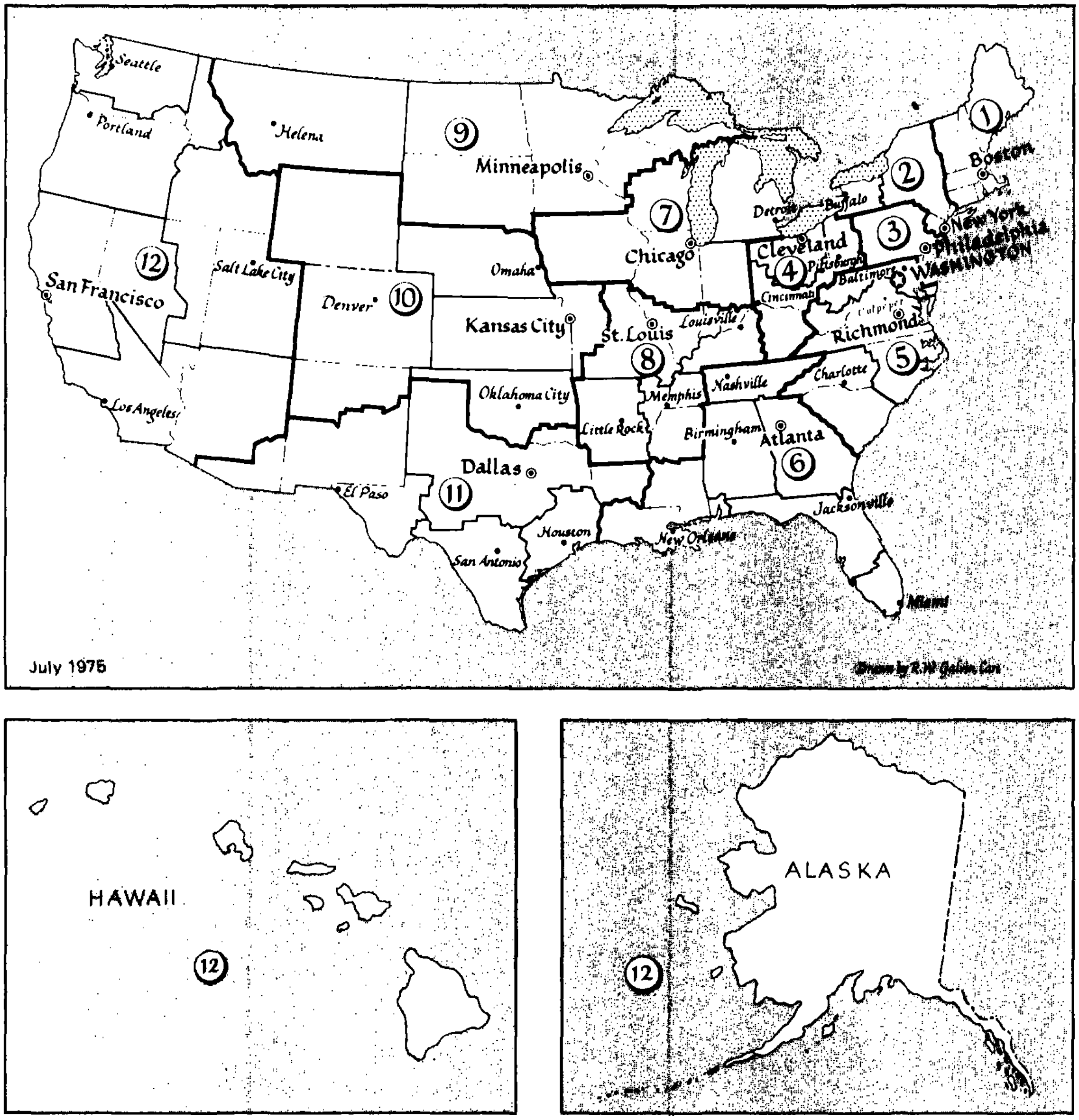
Index to Statistical Tables

References are to pages A-2 through A-75 although the prefix "A" is omitted in this index

References are to pages A-2 through A-75 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

Guide to Tabular Presentation and Statistical Releases

SYMBOLS AND ABBREVIATIONS

e	Estimated
c	Corrected
p	Preliminary
r	Revised
rp	Revised preliminary
I, II, III, IV	Quarters
n.e.c.	Not elsewhere classified
A.R.	Annual rate
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation
N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
IPC	Individuals, partnerships, and corporations
SMSA	Standard metropolitan statistical area
A	Assets
L	Liabilities
S	Sources of funds
U	Uses of funds
*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
....	(1) Zero, (2) no figure to be expected, or (3) figure delayed

GENERAL INFORMATION

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

A heavy vertical rule is used in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

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

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

The footnotes labeled NOTE (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

LIST PUBLISHED SEMIANNUALLY, WITH LATEST BULLETIN REFERENCE

	Issue	*Page*
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